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CONTENTS:—	Page	Page	Page
Fisheries in the Far East	513	Commercial Notes	526
A New Era in Postwar Europe ..	515	Hongkong's Taikoo Sugar Refin-	527
Ceylon Hydro-Electric Scheme ..	516	ing Co., Ltd.	527
China's Agriculture & Water Con-	518	Hongkong's Manufactures	528
servancy in 1951	518	Hongkong Dept. of Labour	529
General Business Conditions in	519	Hongkong Industrial Report	530
the US	519	Powloon-Canton Railway	530
Rubber Situation in the US	520	Hongkong's Trade with East Asia	530
US Trade with East Asia	520	Hongkong Economic Reports	530
East Asian Economic Notes	521	Hongkong Aviation Returns	531
Viet-Nam Economic Report	522	(first quarter)	531
Ceylon's Motor Vehicle Trade ..	522	Hongkong Shipping Returns	532
India's Locomotive Manufacture	523	(March)	532
Indian Tobacco	524	Hongkong Imports & Exports of	534
Indian Woollen Cottage Industry	525	selected commodities (Feb.) ..	534
Thailand's Foreign Trade	526	Trade Marks and their Protection	535
		Shanghai Dockyards Ltd.	536
		East Asiatic Co., Ltd.	537
		Hongkong & Kowloon Wharf &	538
		Godown Co., Ltd.	538
		China Provident Loan & Mortgage	538
		Co., Ltd.	538
		Singapore Share Market	539
		Hongkong Shares (Tables)	540
		Hongkong Share Market	546
		Financial Reports	546
		Dairy Farm, Ice & Cold Storage	550
		Co., Ltd.	550
		Hongkong Commodity Markets ..	551
		Hongkong Trade Enquiries	551
		United Nations Statistical	552
		Yearbook	552

FISHERIES IN THE FAR EAST

by E. Stuart Kirby

In the economics of the Far East, the fishing industry is an important and interesting topic. The subject provides many effective examples for the study of the problems of the area. The following general survey draws on the work of the Fisheries Division of the United Nations Food and Agriculture Organisation (Regional Office for Asia and the Far East).

A striking illustration is provided, in the first place, of the unevenness of conditions in the area. The dietary importance of fish is obvious. For the people of the region, it is a main source of protein, in particular, also of vitamins, calcium and other things. Most of them do not of course think in these terms, but only of its capacity to full stomachs. In view of the shortage of food—with food production in Asia somewhat less than prewar, and population considerably greater—fish is a very important item, present and potential. But its possibilities are very unevenly exploited. Some peoples in the area make full use of this source of food, many others use very little, some none at all. The technical levels in the industry show the greatest possible variations, from the most modern and scientific to the most primitive and ancient. In some places fishing has been developed with the most amazing energy and initiative, in others (even within the same country) it is treated with laziness and indifference. East Asia contains one nation which has utilised and improved fisheries more than any other in all history; and may, after a recent setback, return to dominance in this activity, if others do not hasten to realise their opportunities. That country is Japan. In many other lands, however, the possibilities of this industry are largely ignored, and neighbouring seas contain some of the world's least developed fishing prospects.

The list of deficiencies concerning fishing might serve as a list of Asia's

shortcomings in other spheres of economic activity. The failure to develop is, in all too many cases, ascribable to ignorance of the possibilities, and lack of energy or impetus. In others, it is due to lack of capital, to backward technique. In others again, it is proper storage, transport or marketing that are absent—even where, as in most cases, large cities are found on or near the coast. Last but not least, there is an almost complete lack of precise information about the activity. We know vaguely that fishing is a main industry, on a mere subsistence basis, providing a simple existence for an important proportion of the population in many parts of the region; when, with a little investment, enterprise and attention, it could be put on a wider and more lucrative basis, and make a much larger contribution to the feeding of the whole population. The position really is, however—as with so many fundamental economic matters in the East—that we simply do not know the facts and figures. In this respect, as in so many others, much of the “planning” is in the nature of guesswork; so it must remain, until standards of administration and the reporting of facts are brought up to the levels found in the Western hemisphere.

The waters of the sea vary in fertility, as widely as do the soils of the earth; there are some waters empty of life, just as there is some land that is totally barren; while at the other extreme some stretches of water, like some lands, are productive of a teeming life. The appearances are, on first sight, that there is more fish in tropical waters, just as there is more vegetation in tropical lands. But this may not be true, even quantitatively; and qualitatively, at any rate, the comparison may be in favour of the colder seas. Up towards the Poles, there is high food value to be found in the

sea which, in those parts, is a much greater source of food than the land. There is a strong difference of opinion among the experts as to the fundamental productivity of tropical waters, reflected in conflicting views as to the prospects of developing trawling and other activities comparable to those of Europe and America. As in the case of minerals, Asia's reserves are in this respect still largely “unsurveyed” and “unprospected”: but everyone agrees there is room for much development.

In the above, reference has chiefly been to the seas and oceans; but in fact the highest development, in Southern Asia at least, has been in freshwater fishing. China, Indochina, India and Pakistan have some of the world's most important networks of rivers and lakes, and the vast rice-growing plains there and in the southern islands offer tremendous possibilities for fishraising. Unfortunately the salmon family, which plays so useful a part in supplying the rest of the world, and in international trade—because it is the best kind for canning—is not found, except in the north-east of Asia. But there are many indigenous varieties, and many local skills adapted to catching them, which are capable of enormously profitable and useful exploitation. Only there are great local variations, and the whole subject needs a great deal of scientific study.

One of the most striking features is the utilisation of swampy coastlines in South East Asia, overgrown with mangrove; in these brackish waters embankments are made for the raising of milk-fish (called bandeng in Indonesia, bangos in Philippines), mullet, prawns, and perch; and in India, the shad (hilsa) of the Ganges delta. This is possibly the most skilful and special of the local techniques, and is capable of great extension. This type of fishing merges gradually into that of the second main zone of activity to be distinguished, with which it is technically and environmentally linked; the same people are

usually concerned, and use somewhat the same methods. This second zone is called the "onshore" zone; it consists of a comparatively narrow strip of sea, all round the various coasts, but contains a great variety of fish, and is the scene of much the greater part of the fishing activity of the region. In South-East Asia, fish traps are the main standby in this zone, though nets and lines are also used. Further to the East, nets are more common—purse-seines (often seen around Hongkong New Territories) and ring-nets. The Japanese, who are in every respect technically right ahead in this industry, use all these methods, as well as the mechanised ones; they have excellent types of nets, such as their "salmon-trout net" (masuami) and "mackerel net" (muroami). In Burma, India and Ceylon, simpler nets and lines are chiefly used.

The third zone of fishing to be technically distinguished is the "offshore" part, further out at sea. It requires different equipment, different organisation; indeed a different type of fisherman. An interesting distinction has here to be made; that between the fishes found near the surface, and those found nearer the bottom. The term "pelagic" refers properly to the former, though it is often used for the fish of waters far from the coast, in general. The term "demersal" is used for the latter. The surface waters in East Asia contain great resources of fish. Some are of high food value, and fair market value (e.g. tuna) but much is of kinds less appreciated (e.g. sharks, rayfish). It is not properly known what useable resources of fish might be got from the lower depths. Only in the China Seas, and in Japanese waters, are offshore fisheries carried on which can be compared with those of Europe, America or the North Pacific. The latter's famous varieties—such as herring, cod, haddock, and halibut—are absent in the East, and such varieties as the croakers, "bilis"—herring and "spanish" mackerel of the region are inferior to their occidental namesakes. Nevertheless, the possibilities of the expansion of fisheries are tremendous. In this industry, as in others, the nature of the resource-pattern quite apart from the question of people's ability and willingness to use their opportunities—favours Japan, as a major centre in Asia. In Japan's home waters, both northern and southern kinds of fish are found.

The inland raising of fish, in ponds, lakes or rivers far from the sea, is of course a distinct category, and a different art. It is practised all over the region. Remarkable and justly famous are the lake fisheries of Cambodia; at the Tonle Sap (between Indochina and Siam) "barrage" traps and nets catch the fish passing through. In the season, peasants come from 100 miles around to join in this work. On the Ganges, and elsewhere in India, "bheels" are a familiar sight; i.e. overflow-pools by the rivers, artificially stocked with fish. Fish-culture in ponds is well developed in India and Pakistan. In China the quality of this type of work is higher; the techniques of selecting, feeding, taking

up and transporting the fry, of building and managing the ponds, etc. are well and elaborately organised. As a result, costs are higher in China, but so are the yields. In Japan, and in parts of China some use of machinery is nowadays found in inland waters, as well as at sea. In other places, fish are accidentally deposited in the rice-fields, when the rivers overflow and cover the fields. A little effort and investment in netting and mechanisation would greatly increase the catch in such cases; also, stocks of fish would be raised in ponds, and put out to multiply in the flooded fields at the right season. But such measures are in most places rarely undertaken.

* * *

For technical and geographical reasons, the whole East Asian Region is thus divided, from the point of view of fisheries, into three sectors; (i) the eastern part (Japan, Korea, China), (ii) the central (Philippines, Malaya, Indochina, Thailand, Indonesia) and (iii) the western (Burma, India, Pakistan, Ceylon). From the technical and economic points of view, the degree of development and modernisation is generally in the order given above—greatest in the eastern sector, less in the central, and least in the western. Japan stands apart in this matter, as in the matter of manufacturing industries; Japan is well ahead technically and organisationally. Everywhere else, there is great need for improvement—with the exception of a few centres. Hongkong is one of the extremely notable exceptions, showing a very good record of recent achievement: striking details were given recently in the Far Eastern Economic Review (March 29th, 1951, p.397). Hongkong is one of the few places where the industry has recovered to above prewar levels. The Colonial government has extended facilities, but Hongkong's revival as a fishing centre is largely due to private enterprise; junks are rapidly being mechanised, mainly by the spontaneous action of private owners, and governmental assistance,

under this heading, has not been required on the scale that had been expected.

Another reason is, however, that the marketing is well developed in the Colony. Processing, marketing and distribution of fish govern the state of the industry (if it is to be anything more than an affair of local subsistence at village level), just as much as the conditions of primary production.

This "secondary" field is also, perhaps, more readily extensible than the primary one, as there is generally no severe shortage of basic manpower. In the western sector of Asia, drying and salting are developed, but modern methods of storing, transport and marketing are hardly known. There is however some manufacture of fish manure in India. In the central sector, pastes and sauces are an additional feature, and there is an export trade in these products chiefly to Indonesia via Singapore. There are many complicated processes involved, of a traditional and "handicraft" type.

Only in the eastern sector are modern processes, like canning and refrigeration, and modern markets, at all developed; in this sector factory industries are also found in this field, and are capable of much extension. In the central sector, there is practically no specialisation of any such kind; fishing is a part-time occupation for people on the coasts and there is no organised marketing. This occupation was formerly held in low social esteem; in the old Hindu caste system, for instance, it occupied a low position. Yet the people concerned are not lacking in initiative; for example, in emergencies they often improvise new equipment and new methods. Nowadays, they are widely taking to new types of boats, and are ready to adopt the use of power-driven vessels. A little encouragement, instruction and assistance (e.g. credit schemes for the purchase of motors and equipment, the promotion of cooperatives, etc.) could make a great difference, and lead to an important addition to food supply.

The available statistics are very rough. The following FAO figures should be taken as approximate indications only.

Country	Numbers in Men	industry			
		Boats	Tons per man	Annual Production	
				Tons per boat	Kg. per head of country's population
Japan	2,000,000	N.A.	1.0	N.A.	40
Hongkong	58,000	4,000	1.0	13	33
Philippines	N.A.	N.A.	N.A.	N.A.	13
Formosa	170,000	20,000	0.3	3	9
Thailand	43,000	3,000	3.0	5	9
Indochina	N.A.	N.A.	N.A.	N.A.	9
Fed. Malaya	84,000	22,000	0.7	2	8
Indonesia	258,000	25,000	1.8	19	6
Ceylon	44,000	12,000	0.9	3	6
Pakistan	200,000	17,000	1.2	15	3
Singapore	5,000	2,000	0.4	1	2
India	390,000	70,000	1.4	8	1.5
China Proper	N.A.	N.A.	N.A.	N.A.	0.6

("N.A." means no figure available).

These figures are up-to-date. But being averages, they conceal the fact that the industry is particularly subject to fluctuations, seasonal and other. Nothing could do more to stimulate the fishing industry than the promotion of stability and security. In most places, the fisherfolk have a standard of living below the

local average. Policy measures have succeeded in direct proportion to the extent that they have squarely met these problems in a spirit of social improvement.

It is clear from the above figures that only in Japan and Hongkong does this industry in the East, come anywhere near to playing its proper part in the local

A NEW ERA IN POST-WAR EUROPE

At no time since World War II ended has the need for clear thinking and balanced judgment been so imperative to world safety as now. Accelerated by Marshall aid, postwar recovery in Europe has progressed almost incredibly fast. But the outbreak of the conflict in Korea made European Reconstruction a different kind of task. Measures of common defence became suddenly of top grade importance. To find a sound solution for each problem arising under the new conditions, all the essentials in the situation must be considered together in their right proportions to one another. At this critical juncture, mistakes in diagnosing the economic derangements of Europe or in prescribing treatment might easily reverse the whole process of convalescence.

Rearmament and stockpiling have created a worldwide shortage of raw materials. As the rate of production of natural raw materials is augmented, as the output of artificial substitutes is increased, and as rearmament programs near completion, the shortage will diminish. But a considerable time must elapse—even some years—before relief becomes appreciable.

As Europe lives chiefly by processing imported raw materials and exporting the finished products, her rehabilitation is primarily dependent on the supply of raw materials being abundant. Recovery since 1948 has been almost meteoric because Marshall aid provided Europe with raw materials as fast as they were needed. Any lack arising now would dislocate all production schedules by breaking the chain in long series of connected industrial operations. All military experts agree that the power of a community to defend itself is measured by its industrial potential which, in the case of Europe, could

reach its maximum only if the supply of raw materials were ample and uninterrupted, and if production in Europe as a whole were coordinated, so as to utilise the entire available industrial equipment and labour supply to the best advantage. Full employment is an integral part of rearmament. This means that Europe would need even larger quantities of raw materials than heretofore because some millions of idle workers have still to be absorbed into production.

Today, nobody seriously denies that—quite apart from the question of defense—the future welfare of Europe depends on its becoming a commonwealth where the problems that the separate peoples cannot cope with alone will be solved by joint action promoting the wellbeing of Europe as a whole. The real problem now is how to achieve this community of action in practice.

From the fertile cooperation among O.E.E.C. countries in the last three years, the willingness of the peoples of Europe to move forward, step by step, as fast as feasible, in evolving a single, all-European economy, free of all impediments to intra-O.E.E.C. trade has been demonstrated beyond question. This has been shown, for example, by the agreement reached by O.E.E.C. countries in allocating Marshall funds among one another, by the liberalisation of trade, by operating the E.P.U., notably in dealing so promptly with the balance of payments difficulties of West-Germany, by the persevering efforts of the Benelux countries to form an economic union and by the patient determination of the governments of France and West-Germany, despite all setbacks, to carry to completion the Schuman Plan for forming an insoluble steel-coal union.

Until the outbreak of the conflict in Korea, the plan for rebuilding Europe was to increase production to such a volume that every single country would be able to pay its own way by its own work, then by stages to eliminate all fiscal and monetary barriers to trade, enabling all surplus production to be exchanged, so that all workers would be kept fully employed and have the assurance that increased output meant a rising standard of living. This is a vital part of the defensive side of psychological rearmament. Finally, the emergence of a single all-European market would enable production to be broadened and rationalised to serve a home market even larger than that of the U.S.A.

This goal is not yet in sight. Altogether between three and four million willing workers in Italy and West-Germany are still unemployed. Their absorption into useful productivity depends on the supply of raw materials being correspondingly augmented, to keep pace with the increase of industrial potential in Europe. As long as the speed of recovery was so spectacular, millions of unemployed in Europe clung to the hope that, sooner or later, there would be work for all. But less raw materials than hitherto would stop recovery, increase unemployment and deepen despair.

If that happened, no further attempt at the liberalisation of intra-European trade would be made. Every government would be concerned first and foremost with providing work for its own people. All existing quantitative restrictions on import would be maintained. No further concessions in the 40 % sector of unliberalised trade would be granted except to obtain by exchange raw materials in short supply. Fierce competition for raw materials

economy. The fishing industry points, with remarkable clarity some basic lessons. It is an example of the large amount of useful work that needs to be done, and can only be done by conscientious collaboration, making the best use of the scientific knowledge internationally available. A prerequisite is a full study of local conditions and facts. Only in such places as Japan, Hongkong and Singapore, are proper statistics available, or proper experiments furthered; elsewhere the most elementary facts are insufficiently known. Numerically, the owner-operative predominates in this industry; but generally he has had to turn, for additional finance, to persons outside the industry. Modernisation and mechanisation will oblige him to do so to a still greater extent in future. Organisational conditions vary greatly; for the most part, the industry is "part-time" interest both for its operatives and its finances. Technical and cost conditions vary ex-

ceedingly from place to place; the highly capitalised Japanese industry calculates in terms of modern trawlers costing millions of dollars, coastal and inland fishery units in S.E. Asia have capitals in thousands, the individual boatman has a negligible capital. All kinds of complicated arrangements are found in the marketing, usually involving numerous intermediaries and interlopers of various kinds. Cooperatives and other schemes have been applied all over the region, with extremely varied results—but with success only in the most advanced centres.

The first essential is to get proper information, in all such fields of economic and social affairs. The second is to proceed objectively from that to practical and constructive measures of improvement. In the non-Communist states, it is still hoped to avoid international strife, to maximise international economic and scientific collaboration, and so to be able

to devote adequate attention to the first of these tasks. It is the firm intention also to preserve governmental impartiality, and to prefer slow—but unremitting—progress, in the spirit of the second requirement. Interference, propaganda and discrimination, based on political dogma, would play havoc in the complicated structure of such an industry as this. Most governments are allocating considerable budgets for research and investigation in this field, and for collaboration with the international agencies. It is very gratifying to find that Hongkong is setting such a good example, in terms not only of official enlightenment but also of public alertness, in this line of activity. The industry generally is on the threshold of mechanisation, and the technical, organisational and social tasks involved are gigantic. They cannot even be understood—let alone solved—without a fully international pooling of scientific knowledge.

THE CEYLON HYDRO-ELECTRIC SCHEME

By C. W. GLANISTER

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Ceylon is essentially an agricultural country and nearly 55% of the total national income of the Island is derived from the export of tea, rubber, coconut (and its by-products), besides other agricultural produce. Industrialization of the country has, however, been a dream of successive Governments. Ten years ago there were very few industrial establishments in the

Island. Besides the mills and factories connected with agriculture, there was one Textile Mill, a few match factories, one Manure Works and some Tile Works—all dependent on imported fuel for power. Since then several new industries have sprung up—the Plywood Factory, the Steel Rolling Mills, the Cement, Quinine and Leather Factories and many others mostly

sponsored by Government. The future programme of industrial development includes provision for a Sugar Factory and a Textile Mill.

All these industries are, however, dependent on imported fuel—Ceylon has no coal, no petrol, and no oil to run the engines and has perforce to import 60 million rupees worth of fuel, exclusive of petrol and kerosene. Small

would keep Europe divided. The present trend towards making Europe a commonwealth would cease.

Against this background, it is easy to understand why the formation in Washington of a tripartite board consisting of representatives of the U.S.A., Great Britain and France, to act as a permanent authority for the worldwide allocation of all important raw materials is viewed in Europe with the deepest concern. Most of the world's raw materials come from the U.S.A. and the sterling area. Minor sources are the French and Belgian possessions overseas. What guarantee is there—responsible European authorities ask—that the Anglo-Saxon powers would never be tempted to use their virtual monopoly to keep Europe under pressure?

If Europe is to become a commonwealth, every kind of discrimination amongst the member countries must vanish. That is the essential principle of liberalisation. At present, 60% of all intra-O.E.E.C. trade has been freed from quantitative restrictions. Ultimately liberalisation must reach 100%. In time, all discrimination by O.E.E.C. countries amongst one another is to cease. But if, in allocating raw materials to European countries, the Anglo-Saxon countries—as has already happened—made arbitrary discriminations, the purpose of liberalisation would be defeated and the aim at making Europe a commonwealth frustrated. To keep its workers employed, every European country would compete with the rest in striking bargains with Anglo-Saxon countries. Old mistrusts and antagonisms would be perpetuated.

Statements by official spokesmen in Washington during 1951 have aroused the fear in Europe that eagerness in the U.S.A. to rearm quickly, might rivet attention on promoting the making of arms at the expense of production in other sectors and lead to discrimination in favour of those countries making products of immediate strategic utility. But it does not necessarily follow that European defense would be best served by giving most raw materials to countries making war material. Switzerland could not make tanks advantageously, but she does make excellent machine tools and precision

instruments in urgent demand by countries now rearming. If Switzerland does not obtain enough copper, her export of electrotechnical equipment needed for European defense would not be a maximum. In planning industrial production to yield the greatest defense potential, Europe must be considered as a whole.

Where full employment prevails already—for instance, in Great Britain and Switzerland—care would have to be taken to make sure that any switch-over from civilian to strategic production really led to an increase in defense potential. In many cases, the whole economic system would be deranged, without any justifiable gain, if, by treating each country separately, too great a share of the present industrial capacity were diverted to making arms. If European defense is to be a common task, the production of what is needed would be best entrusted to those countries best equipped for each job. This will depend largely on the existence of special skills which must be utilised where they happen to be. To safeguard against inflation in Europe, the production of consumer goods, also must be kept as high as possible. In that sense, the common defense effort requires textiles, toys and table glass where the capacity of these industries cannot be turned to account more directly in making strategic products. Careful consideration would have to be given to deciding how the latent industrial capacity of West-Germany and Italy could be utilised.

In making allocations of raw materials among European countries, great care would have to be exercised in deciding:

1. How the utilisation of available raw materials would provide most workers with regular employment?
2. Which countries could convert these raw materials into capital goods quickest?
3. Which countries could wait longest for payment of deliveries of finished products, that is, which O.E.E.C. countries could grant longest credit or most readily accept the creditor position inside the E.P.U.?

These are matters that could be decided only in Europe itself. Only those familiar with all aspects of European economy could assess the significance

of the imponderables. If, while many raw materials remain in short supply, the solidarity among European peoples is to suffer least, the allocation of what is available for Europe should be undertaken by Europe itself. There is only one international body—the O.E.E.C.—to which all West-European countries belong. Up till now, the O.E.E.C. has worked well. All O.E.E.C. countries are familiar with one another's problems. A board head-quartered on the other side of the Atlantic could never keep in touch with the intricacies of development in Europe, especially if most consumer countries had no direct representation there.

At an assembly of the O.E.E.C. in Paris on February 9, to discuss a proposal that existing discriminations in the unliberalised sector of trade be abolished, the Swiss delegate declared that his government could agree to no further liberalisation until the arrangements made in Washington for the allocation of raw materials to European countries were made known. Switzerland has so far led Europe in liberalisation. Even before the O.E.E.C. came into existence, 85% of her import was quota-free. But if, from now onwards, raw materials are to be in short supply, no European country could afford to forego the right to bargain for whatever additional supplies might be obtainable by making concessions in the unliberalised sector.

If the raw material supply to European countries were seriously curtailed, production would fall. Full recovery in Italy and West-Germany would be definitely prevented. Many European countries would have less to export and would consequently have increasing difficulty in keeping their balance of payments squared. This would put the E.P.U. under great strain. In most countries, the fall in fiscal receipts and other sources of revenue would threaten the stability of the state budget. The financing of rearmament would be immensely more difficult. Many European monetary parities established at great cost would probably be upset.

From now onwards, the O.E.E.C. countries will have to work together, in the spirit of give and take, more closely than ever. Mistakes would be too costly.

wonder then that the industrially-minded should cast about for a cheap source of power, for without it Ceylon's industries, unless protected by heavy tariffs, can never hope to face competition with world markets while the same will hold good for tea, rubber and coconut, once full production is resumed in the other Eastern countries that have suffered the ravages of war.

One source of power Ceylon has in abundance, for the central hills of Ceylon enjoy a rainfall of over two hundred inches per annum. Here then is a mode of cheap power waiting to be harnessed. Sites for extensive storage basins are available with large catchment areas and suitable locations for power houses where water turbines can be installed for working with high heads to produce practically unlimited quantities of hydro-electric power. These sources of power are all within reasonable transmission distance of the present and future main centres of power consumption.

The scheme for harnessing the water-power available at Aberdeen-Laksapana was first mooted in 1911. Actual construction work on the first stage of the scheme was started in 1924 but the work was suspended in 1927. Slump conditions in the early thirties further hindered recommencement of the work. Tenders for the work were called for in 1938 and accepted in July, 1939, but with the outbreak of war in September it was decided to proceed with the civil engineering work only. Progress was necessarily slow during the war years, but with the cessation of hostilities work has been pushed forward with vigour.

The Scheme:— The Aberdeen-Laksapana source was chosen for development in the first instance as it was particularly well-suited for hydro-electric generation. The Scheme was designed to be constructed in easy stages and to utilise the waterpower of two streams—the Kehelgamu Oya and Maskeliya Oya flowing in adjacent valleys separated by a ridge. One of these streams, the Maskeliya Oya, happens to be several hundred feet below the other and by diverting the water from the Pehegamu Oya into the Maskeliya Oya, the difference in level can be utilised to generate electricity. The first stage of development includes a Dam at Norton Bridge which will provide a regulating reservoir from which the water will be led in through an 8,000 feet concrete-lined tunnel into the Surge Chamber on the Maskeliya side of the ridge. The water will then be run down through pipelines along the steep slopes of the Maskeliya Valley to the Power House situated on the bank of the river. The difference in level between the Norton reservoir and the Power House will be about 1,500 feet and 25,000 k.w. of generating machinery will be installed in the first stage of development. The power will be transmitted to Colombo

at 66,000 volts over a double circuit transmission line. A similar line is under construction to supply the University at Peradeniya and the Kandy Municipal Council.

The existing load at Colombo is nearly 15,000 k.w. and the Electrical Department is already committed to supply a large amount of additional power as soon as the Hydro-Electric Scheme comes into operation. Many local authorities which purchase their electricity in bulk from the Department are waiting for additional allocations of power and the entire requirements of Kalutara, Nuwara Eliya and Kandy will soon have to be met from the Hydro-Electric Scheme. The University at Peradeniya will require about 2,000 k.w. connected load, the Colombo Municipal Council about 6,500 k.w., while a number of other consumers are waiting for a load of several hundred Kilowatts each. The normal increase in the domestic load is by no means negligible. Every new house being put up now almost invariably has electricity laid on, and current is used nowadays for many more domestic purposes than was usual some years ago. The demand made by each domestic installation or small industrial consumer may be little but the aggregate load from the group of such consumers is appreciable. The tea industry requires 30,000 h.p. of motive power and the rubber and coconut industries 37,000 h.p. Withering and drying tea by electricity will utilize a further 60,000 k.w. of power, besides enabling manufacturers to produce a far better quality of tea which can then fearlessly face world competition. Once hydro-electric power is freely available, a number of new industries will be born. A fertiliser industry will solve one of the greatest difficulties of our agriculturists, while Electro-Chemical and Electro-Metallurgical works will also become feasible.

What is left from the 25,000 k.w. installed output of the 1st Stage of the Scheme after supplying the present demand of 15,000 k.w. will be absorbed in a very short time. This makes it imperative that the next or second stage of the Hydro-Electric Scheme should be proceeded with as rapidly as possible and preliminary work has already commenced. The site for the Dam at Castlereagh, which will form part of the second stage of the Scheme, has already been selected after taking diamond core drillings of the area and the design of this dam is proceeding. The Castlereagh reservoir will have a capacity of 2,000 million cubic feet of water sufficient to give an output of 50,000 k.w. The difference in level of about 700 feet between Castlereagh and Norton Reservoir will be utilised to generate 25,000 k.w. of power in low head generating stations above Norton Bridge.

On the completion of Stage II when the power resources of the Kehelgamu Oya only will have been fully utilised, there will be available from the

Hydro-Electric Scheme 75,000 k.w. To this may be added the electrical output of the Gal Oya and Walawe Ganga Schemes, if it is decided that they should be inter-linked with the Norton Bridge Scheme. In any case, a vast amount of power will soon be available and steps have been taken to erect the necessary transmission lines to distribute this power over as wide an area as possible. It is proposed that besides the transmission lines included under Stage I, over 900 miles of lines will be erected in the next six years with the necessary sub-stations and equipment. These lines have been planned with a view to providing supplies to those areas where a demand exists or is likely to arise. The needs of local authorities, tea, rubber and coconut industries and other power users have been kept in view. The situation is being watched constantly and the transmission network will be diverted, extended or modified wherever possible to suit the requirements of new industrial undertakings.

The development of the Port of Colombo will play an important role in the advancement of the country and electricity has its own contribution to make to the development of the port for which great plans have been made and on which work has already started. The port area is already studded with over two dozen points at which electricity is now delivered by the Electrical Department for use in the port. Current is supplied at 11,000 volts, 400 volts or 230 volts according to the nature and extent of the load at each particular point. The aggregate amount of power thus supplied is considerable, but this has been found to be inadequate for the developing port and a new sub-station to provide 5,500 k.w. of power is to be built. The money for this sub-station has been provided and the equipment ordered.

In addition to the power required in the Harbour area, a request has been made for a supply of 1,000 k.w. at the Colombo Port Commission Stone Quarry at Mahara. High priority has been assigned to this work. The extra High Tension Transmission Line extensions will be made and the necessary sub-station erected to provide this supply in the next few months.

Further Development. — Although only Stages I and II have been referred to above, there are further possibilities when the 75,000 k.w. produced has been used up. Stages III and IV will utilise the power resources of the Maskeliya Valley and produce another 75,000 k.w. Preliminary investigations have also been carried out on other sources and among those that show great promise are Teldeniya, Kitulgala, Ulapane, Haragama and St. Clair Falls which five sources will yield 220,000 k.w.

One of Ceylon's great kings of yore, King Parakrama Bahu, issued an edict centuries ago that not a drop of water

CHINA'S AGRICULTURE AND WATER CONSERVANCY IN 1951

The Government Administration Council recently approved plans to increase agricultural production, develop afforestation work and expand the water conservancy programme. The new agricultural targets anticipate that China's grain output will be increased by 7.1 percent over the 1950 level, and that the cotton crop will be 36.9 percent higher than last year's crop.

Intensive construction work is being carried out in areas regularly plagued by floods. Many of the preventive measures this year are to be of a permanent nature. The scope of irrigation work is being widened. New irrigation systems now under construction will add millions of *mow* of rich earth to China's existing farmland.

These two far-reaching plans are based on the achievements of the past year in agricultural production and water conservancy. The grain harvest in 1950 exceeded that of the previous year by 11.8 percent, or 10,000,000 tons—and reached 85.7 percent of the pre-war yield. In cotton production, too, the gains were noteworthy. There were 260,000 tons, or 58.9 percent more cotton produced in 1950. The crop not only surpassed the pre-war annual average by 20 percent but it reached 82.8 percent of the all-time record of 1936.

1950 was a year of achievement in water conservancy work. More than 419,000,000 cubic metres of earthwork were moved on many gigantic projects. An area approximating 247,400 hectares was added to the existing irrigated farmland. Floodprevention work was so successful in 1950 that except in the Huai River's upper and middle basin, i.e., in Eastern Honan and North Anhwei, where the rainfall was heavier and more concentrated than during any year in the past century, no major inundation occurred anywhere in the farmland.

should be allowed to flow into the sea before it had given of its best to the land. This was in an agricultural era when the cultivation of paddy was the prime occupation of Lanka's inhabitants. In this mechanical age, however, Ceylon could well make its abundant rainfall do dual duty—irrigating the fields and providing cheap power for its industries.

Now that a start has been made to harness this source of power, the Government of Ceylon is striving to develop it with the utmost expedition to meet the needs of a country determined to foster and develop its industries and thus stabilize its economy—one which has so far been based on tea, rubber and coconut products alone.

This year, overall agricultural output in all old liberated areas where agrarian reform has been completed (except in those areas where natural damages and war destruction have been heavy) will outstrip the annual average before the outbreak of the War in 1937. In areas where agrarian reform was completed during the past winter or will be completed by this spring, the output is expected to approach pre-war annual averages. In areas where rent reduction has been carried out but full-scale agrarian reform has not yet taken place, the goal for the year anticipates that production will, at least, outstrip the 1950 level.

A series of production policies have been adopted to ensure the fulfilment of this year's agricultural targets. An underlying principle is to encourage the pooling of individual resources through mutual aid teams or other voluntary forms of organisation. Such teams will receive preferential loans for modern farming tools, technical guidance, improved seeds, insecticides and sprayers. Peasants are encouraged to step up production. Those who raise their output above the annual average through careful cultivation or improved farming techniques will not pay taxes on their extra crops. Increased output through water utilisation is also free from taxation for three to five years. Taxation on the output of newly-reclaimed land (once wasteland) is waived for three to five years.

To encourage the peasants to produce more cotton, tobacco and jute, the state guarantees the purchase and marketing of these products at reasonable rates of exchange with grain.

The co-operative planting of trees and orchards is being promoted this year. Trees will be planted on more than 146,000 hectares. Another 3,700 hectares will be used for tree nurseries. The raising of domestic animals is encouraged and as far as possible animals will be inoculated.

Just as important as the organisation of farm labour, farming technique is to be improved in every way possible. The election of model farmers, production exhibitions, technical study classes, comparisons and analyses of crops and harvests are a few of the methods whereby this is being done. Moreover, local governments in rural areas have been instructed to organise and lead the peasants to fight floods, droughts and pests and to plant green belts to conserve water, check erosion on river banks and protect crops from wind and sand. Another way to help develop agricultural production is to ensure the marketing of rural products through contracts between co-operatives, local mutual-aid teams and state trading concerns. Co-operatives and

state trading concerns are to join with private merchants to organise the marketing of rural products on a national scale.

The 1951 target figures using last year's figures as the base 100 are as follows: grain, 107.1 percent; cotton, 136.9 percent; jute, 169 percent; cured tobacco leaves, 424.8 percent; black tea and green brick tea, 135.1 percent; domestic silkworm cocoons, 114.9 percent; wild silkworm cocoons, 150.8 percent; raw materials for oil, 109.8 percent; raw materials for sugar, 129.1 percent; and marine products, 120.7 percent.

This year, the scale of work in water conservancy will be much greater than the last. Efforts will be focused on permanently solving the flood problem in several of the areas which have long been attacked by flood. First of all, along the whole Huai River basin, at least 3,000,000 peasants will take part in dredging, dyke repair and construction work this coming spring. This will protect vast plains from reflooding. In the succeeding years, a new outlet to the sea will be provided for the river. The whole of this plan along the Huai river will be completed in 1953. The major part of the Yi and Shu projects in Shantung and North Kiangsu provinces and of the Chaopai River project in eastern Hopei Province will also be completed this year. Preliminary work and preparations for building reservoirs in the middle sections of the Yellow, Yungting and Han rivers are being speeded up. On important points at junctures of the Yangtse and its tributaries huge culverts will be installed to improve agricultural production on more than a third of a million hectares of fertile land in this basin. Irrigation work in the Northwest will receive special emphasis in 1951. Government loans are making it possible for suitable irrigation systems to be built in parts of the country to regulate the water supply where rainfall is either too little or too heavily concentrated during brief seasons. Ten new irrigation systems are being planned for North China, 16 for the Northwest, six for East China, and 13 each for Central-South China and Southwest China. Approximately 317,000 hectares of land will be added to the existing farmland through these various measures.

The tasks set for 1951 to increase agricultural production and develop afforestation are vital to the steady progress of the nation's economy. The programme for water conservancy, so closely linked with agricultural production, is also building a firm basis for large-scale utilisation of China's abundant water resources—another step in the transformation of China into an industrialised country.

GENERAL BUSINESS CONDITIONS IN AMERICA

April Letter on Economic Conditions of the National City Bank of New York

The business news during March has provided a welcome combination of sustained production and employment reports, together with evidence of at least a temporary check in the advance of inflationary forces. The long rise of wholesale prices has flattened out. Staple commodities average a little lower. Retail trade figures, after adjustment for the early Easter, have dropped below earlier months. Wholesale merchandise markets have been sluggish, and general industrial buying, after reaching extraordinary peaks, has subsided considerably.

It is not usual to welcome a slackening of trade, but the rush to buy in January and early February reflected an inflationary psychology which, however reasonable in view of the influences operating to raise costs and prices, was nevertheless a threat to order and stability. Both at retail and wholesale, business was borrowed from the future. The danger in such movements is that anticipation is overdone and commitments over-extended, inviting reaction. Meanwhile the buying tends to produce the very results, namely shortages and higher prices, which the buyers fear.

After this precautionary buying, a pause was inevitable. The industries have huge unfilled orders to work against, and with few exceptions will be as active as their supplies of materials will allow. In the markets the situation is now being appraised more calmly. Merchandise reports show that fears of shortage were overdone, for store stocks are ample and in a few lines goods are backing up. The dominating fact is that the country is turning out substantially more goods and services than ever before in peacetime, and more than 90 percent of the output is still for civilian use. People who under-rated industry's productive power are finding that supplies are more abundant, even in durable goods, than they expected a few months ago. More of almost everything, including automobiles, is being turned out than at this time last year. Rising inventories reflect the enormous output. While cutbacks in durable goods will take effect increasingly, the inducement to anticipate requirements, and to build up inventories further, is weakened in many lines.

Influences for Quieter Markets

It is also likely that international and Washington reports have helped to quiet the markets. The feeling has gained ground that events permit a little more consideration for civilian wants and a little more care to keep civilian industries going until the materials they are using are actually required for defense work, which in many cases waits on the completion

and tooling up of new plants. Whether this feeling will be justified as time goes on, or whether it is doomed to disappointment, would now be hard to say. Undoubtedly the program to break down supply bottlenecks, get plants ready and start defense output rolling will be pushed with all of Mr. Wilson's great vigor, and as far as national policy declares to be necessary. The other side of the matter is that defense is a long-run necessity, without foreseeable end, and that the capacity of the country to sustain and finance it indefinitely must be preserved.

Relaxation of government stockpiling purchases of certain commodities has eased market pressures. Discontinuation of tin purchases because prices had moved far out of line, considering the excess of production over the restricted consumption, was construed as notice that the program of continuously building up stockpiles regardless of the effect on prices was being reexamined.

A further quieting effect on sentiment has been exerted by the changes in money policy and the restraints on lending adopted by bankers, which are discussed subsequently in this Letter. The feeling that the boom will be checked, as often in the past, by tightening credit is finding more support. Probably it is supplemented by the evidence that the January budget figures underestimated the Government's tax revenues considerably and that the Treasury will end the current fiscal year with a surplus instead of a deficit, thus taking more out of the income stream than it returns to it. The need now is to adopt the economy and tax measures necessary to balance the fiscal 1952 budget also; and if that is done it will be possible to say that fiscal and monetary policy are at last working together effectively to combat inflation.

Mainsprings of Activity

It would be hard to show that the month's developments portend more than a spotty letdown of industrial operations, if any. Among the current business figures two stand out strikingly. One is the announcement that awards of defense contracts since the first of the year have been running at a rate of \$5 billion monthly. Time will be required, in some instances a good many months, to get plants ready to produce against these contracts, but a steady increase in armament output over the next twelve months is certain.

The second important figure is supplied by the Securities and Exchange Commission and the Department of Commerce, which report that expenditures for new plant and equipment by American business in 1951 promise to reach a record of \$23.9 billion. This is 29 percent more than in 1950, and 24 percent above the previous peak in 1948. The survey indicates that at

least two-thirds of the increase over 1950 represents higher physical volume. An earlier survey made last December placed the expected total at \$21.9 billion; thus the new figure represents an expansion of previous plans.

Business expansion programs and projected government expenditures for defense are the mainsprings of present industrial activity. They have been anticipated and to some extent discounted, but they have provided the industries with immense unfilled orders. As operations expand employment will be available in these areas to offset contraction elsewhere, whether due to scarcities or to softening demand. Purchasing power will flow from the production set in motion by the government and industrial orders and will in turn flow into the markets for other goods and services.

Inflationary Implications

The implication of these figures is that the country should feel less concern over a possible business let-down than over a possible return of complacency as to inflationary dangers. To provide \$24 billion of new business plant and equipment in a year, even at current high prices, will require an enormous effort in the capital goods industries and materials and working forces of record-breaking peacetime size. The pressure on these industries is shown by a twenty months' backlog of unfilled orders for machine tools at current rates of shipment, and to a lesser extent by the inability of railway car manufacturers to turn out all the cars that the railways urgently need.

The pertinent question now is whether it is wise to undertake so vast a program of industrial expansion at a time when inflationary pressures are strong. Success in carrying out the defense program, and indeed all progress in maintaining and raising living standards, depend in the end upon investment in plant and machinery. Nevertheless, it is impossible to do everything at once. Expenditures on plant are as inflationary as armament expenditures while they are under way, because the product does not immediately return to the market in the form of consumers' goods to supply the purchasing power created. Thus it is essential to ask of each of these projects, as of every other expenditure in these times, is it necessary?

The country can sustain the pressures created by high level business investment if it will do without consumer goods and services to the extent necessary until the production of the new plants comes into the markets. The problem is one of short-run congestion. The solution is to effect the necessary saving, economy, and restraint in consumption until the hump is surmounted. But the difficulties in the way of this solution appear in each day's news. Each politically powerful group seeks to maintain its own buying power. Proposals to tax spending

RUBBER SITUATION IN THE U.S.

Ninety-five percent of the U.S. natural rubber comes from the Far East. The supply, therefore, is dependent on how much America can import and at what price. Synthetic rubber produced in the United States, is now the chief source of their rubber supply. Capacity to produce synthetic is now nearly equal to the total of all rubber consumed in the United States in 1949, while utilization of reclaimed rubber is at an all time peak.

Before Korea:—The U. S. rubber industry was geared, at the beginning of 1950, for production principally from natural rubber. The annual rate of synthetic production had dropped to a post-war low of 333,000 long tons. Natural rubber imports were sufficient to meet production needs, and natural rubber cost less than synthetic. Therefore, production of synthetic rubber was confined to supplementing natural rubber imports. As 1950 progressed, the demand for rubber in the United States rose substantially, but the production of synthetic did not keep pace. For 1950 as a whole, despite restrictions imposed in the closing months, US consumption of rubber reached an all-time high of 1,246,000 long tons, an increase of 257,000 above the 1949 total of 989,000. In the early part of 1950, increasing consumption was attributable to increased purchasing power. As the international situation became more tense, consumers prompted by fears of war began buying everything that had been hard to get during World War II—automobiles, trucks, replacement tires and tubes, washing machines, refrigerators, and other products in which rubber is used. Then came the attack in Korea, which intensified consumer buying.

At the start of 1950, world stocks of rubber were low, and demand outside the United States was increasing. The price of natural rubber rose gradually as buying increased. Exports from the Malayan Peninsula remained steady, but exports from Indonesia, a secondary source of supply, were very low in the first two months of the year, following the December 1949 transfer of sovereignty from the Netherlands to the Indonesian Republic. Rising prices

stimulated output, and from March 1950 onward Indonesian native rubber exports rose sharply and the already high production in the Malayan Peninsula and in other countries pushed even higher. A semblance of orderliness in the market price movement of natural rubber continued until the start of the fighting in Korea, June 25. American importation was not affected appreciably up to that time.

After Korea:—Since the outbreak of war in Korea, the price of natural rubber has been extremely high and imports have slackened. Abnormally heavy buying by Russia and China since the middle of 1950 raised prices and reduced quantities available for import. Prices also were boosted by purchases made to meet increased requirements of US armed forces for products having natural rubber content. Following World War II, a portion of US natural rubber imports were set aside for reserve. After the Korean outbreak, the possibility that supply from the Far East might be curtailed led to a more aggressive reserve program, which resulted in placing control over imports in the General Services Administration of the Federal Government.

The first major move after Korea to further conserve rubber came in August 1950 as an amendment to Allocation Order R-1, issued by the Department of Commerce under authority of the Rubber Act of 1950. This amendment limited the non-defense consumption of natural and synthetic rubber, but placed no limitation on the use of rubber for products required by the armed forces. The formula for determining each company's allowable consumption of rubber was tied to consumption figures for the year ending June 30, 1950. In selecting this base period, provision was made for making adjustments for abnormalities in any company's experience. Because of America's dependency on imports of natural rubber, the National Production Authority has reduced the consumption of natural rubber and worked to increase synthetic rubber supply. The annual rate of production of synthetic rubber nearly doubled between January 1950 and December 1950, and progress is being made toward increasing the December 1950 rate by another 50 percent.

In its most recent order (issued March 1) to conserve the nation's supply of rubber and provide for its equitable distribution, the National Production Authority has continued restrictions on the importation and consumption of natural rubber, continued the allocation of synthetic rubber supply to rubber manufacturers, increased requirements for production of camelback (used for

and consumption make little headway. As a practical matter it can hardly be doubted that any successful anti-inflationary policy must include restraint in capital investment programs as well as in consumer spending. The principal test should be whether the investment is for defense or for the support of defense, and the responsibility for applying this test belongs alike to business management, to lenders, and to the government agencies which control the allocation of materials.

United States Trade with East Asia

US trade with Far Eastern countries and with India, Pakistan and Ceylon during the year 1949 and 1950, compared with the prewar average of trading (1936-38). Values are in millions of US\$. Prewar figures for India includes Pakistan and Burma; for Japan includes Korea and Taiwan.

U.S. EXPORTS

		Annual Totals		
		1936-38 average	1949	1950
British Malaya	.....	7.6	37.6	20.5
Ceylon	.....	1.5	18.7	6.9
China	.....	43.7	82.7	33.3
Hongkong	.....	16.7	121.2	107.2
India	.....	35.4	255.2	215.6
Indonesia	.....	22.1	124.5	80.6
Japan	.....	244.2	467.5	415.2
Korea	.....	—	52.3	22.9
Pakistan	.....	—	45.3	33.5
Philippine Republic	..	77.3	439.2	240.3
Siam	.....	3.0	31.6	26.5
Taiwan	.....	—	53.4	28.0

U.S. IMPORTS

British Malaya	.....	174.4	195.5	303.7
Ceylon	.....	17.0	34.8	66.0
China	.....	75.0	106.4	143.3
Hongkong	.....	7.0	4.3	5.4
India	.....	75.0	238.8	259.4
Indonesia	.....	84.6	120.4	157.3
Japan	.....	167.6	82.0	182.0
Korea	.....	—	1.4	2.3
Pakistan	.....	—	27.7	31.4
Philippine Republic	..	107.3	204.7	234.8
Siam	.....	.4	48.0	75.4
Taiwan	.....	—	1.7	3.1

BALANCE OF TRADE

British Malaya	.....	-166.8	-157.9	-288.1
Ceylon	.....	-15.5	-16.1	-59.1
China	.....	-81.3	-23.7	-107.5
Hongkong	.....	+ 9.7	+116.9	+101.9
India	.....	-39.6	+ 16.4	-43.8
Indonesia	.....	-62.5	+ 4.1	-76.7
Japan	.....	+ 76.5	+385.5	+236.2
Korea	.....	—	+ 50.9	+ 20.6
Pakistan	.....	—	+ 18.1	+ 2.1
Philippine Republic	..	- 30.0	+234.5	+ 5.5
Siam	.....	+ 2.6	- 16.4	-48.9
Taiwan	.....	—	+ 51.7	+ 24.9

retreading tires), and issued specification governing the natural rubber content in a wide variety of products ranging from tires to teething rings.

Under the present program, barring unexpected military requirements, the civilian supply of rubber through the first two quarters of 1951 will remain near its present level of 90,000 long tons a month, of which about 60,000 long tons will be synthetic, 25,000 dry natural rubber, and 5,000 liquid latex.

EAST ASIAN ECONOMIC NOTES

India's Foreign Liabilities and Assets

The Reserve Bank of India has published a report on the first survey of India's foreign liabilities and assets as of June 30, 1948. As of that date, total foreign liabilities were Rs.10.46 billion, of which Rs.6.48 billion were official and Rs.3.98 billion were private. Some Rs.4.26 billion of the official liabilities were long-term (those maturing after one year). Portfolio investments comprised Rs.1.44 billion of the private liabilities, the remainder being direct investments. Total foreign assets were Rs.23.91 billion, of which Rs.21.96 billion, mostly sterling assets, were official.

India's over-all international investment position as of the date of the census thus indicated a creditor position of more than Rs.13 billion: on short-term account, liabilities exceeded assets by Rs.0.93 billion; and on long-term account, assets exceeded liabilities by Rs.14.37 billion. According to the report, India's international creditor position would be reduced to Rs.6.64 billion (including debts of Rs.3 billion owed by Pakistan and of Rs.0.53 billion owed by Burma), if adjustments were made for (a) reduction in the foreign assets of the Reserve Bank of India since the date of the census owing to transfers to Pakistan, deficits in India's balance of payments subsequent to that date, and certain other extraordinary payments on account of defense stores, and (b) conversion of the valuation of long-term foreign business investments in India from an equity to a market value basis.

The report also points out that if the position of the country were judged with reference to the state of its investment income account as distinct from its capital account it would indicate a debtor position.

Tibet's Wool Trade

Tibetan wool is being received in large quantities at Kalimpong, India, and all accumulated wool in Tibet is sent to Kalimpong, accounting for the unprecedented large import in January 1951. If the current movement continues, about 20,000 bales (one Tibetan bale equals about 300 pounds) are expected to be available for export from Calcutta, the greater part of which will go to the United States if demand continues high.

Nearly 16,000 bales of Tibetan wool were exported through India to the United States during the entire year 1950. In the last half of the year, however, shipments fell off markedly, from 2,887 bales in June to only 100 bales in December. According to a Peking press dispatch dated November 2, the bulk of Tibet's trade in wool and other commodities was being shipped to southwest China.

ECA Aid to Burma

ECA has granted US\$1.6 million to the Government of Burma to aid in rebuilding the port of Rangoon and to establish a nationwide Rehabilitation Corps. Of these funds more than \$1.5 million has been programmed to provide imported equipment, material, and supplies for the rehabilitation of the port. To meet the cost of domestic materials and labor, the Government of Burma will use local currency counterpart funds obtained through the sale of ECA financed commodities for local currency. ECA is providing \$125,000 for the purchase of tools and equipment to be installed in training centres where Rehabilitation Corps enrollees will be taught useful occupations. The objective of the Rehabilitation Corps is to avert social unrest by training people in trades and providing employment for them on civic projects.

Nationalization in Burma

The Prime Minister of Burma has stated that the total cost of the nationalization program to which the Government is committed will be about 670 million rupees (approximately US\$140 million). The sectors to be nationalized are the cultivable lands, at a cost of US\$74 million; the forests, at about US\$4 million; and foreign industrial enterprises, at about US\$62 million.

Thailand's Railroads

The rehabilitation of the Royal Thai State Railways is progressing according to schedule. Quantities of new rolling stock arrived during the early months of 1950, and new orders for rolling stock have been placed in Japan and in the United States. Under a five-year plan of the Railways Department of the Ministry of Communications for the rebuilding of tracks, 12,500 tons of steel rails are to be imported annually. In 1950, 8,500 tons of rails were purchased in the United Kingdom and 4,000 tons in Japan. No rails were ordered from the United States owing to the scarcity of dollar exchange. In addition to this five-year plan, a ten-year plan has been drafted, covering the construction of six new railway lines, which will be extensions of existing lines, at an estimated cost of 950.7 million baht. The cost is to be met by the loan from the International Bank for Reconstruction and Development.

Taiwan's 1950 Tax Receipts

National and provincial taxes collected in Taiwan during 1950 amounted to NTY170 million—considerably above the NTY46 million collected

in 1949. In 1950 the income tax yielded NTY88 million; the stamp tax, 34 million; commodity tax, 32 million; land tax, 24 million; business tax, 21 million; harbor engineering levy, 12 million; and mining tax, educational reconstruction levy, and special business tax, 9 million.

Indonesia's Trade Agreements

A trade agreement between Indonesia and Switzerland calls for the exchange of 30 million Swiss francs worth of goods in either direction during 1951. Under a trade agreement with Norway, Indonesia will export rubber, tea, tobacco, spices, and copra in exchange for machines, paper, and certain industrial products. An agreement with France calls for an exchange of goods valued at more than 20 billion francs. Indonesia will deliver principally copra, rubber, tin, and sisal in exchange for silk, rayon and cotton, chemical and pharmaceutical products, dyes, electric and radio materials, machine tools, and iron and steel products. An agreement with Austria provides for an exchange of 15 million guilders worth of goods each way (with the Netherlands acting as banker). Indonesia will send rubber, tin, copra, palm oil, skin, and hides to Austria, and receive in return Diesel engines, finished textiles, optical instruments, iron and non-ferrous metal products.

Philippine Import Quotas

Philippine import-quota limitations have been removed from a number of "prime necessities," under an Executive Order issued on December 21, 1950. The order also transferred the licensing authority for the importation of these goods from the Import Control Administration to the Price Stabilization Corporation (PRISCO). Although a continued shortage of foreign exchange is expected to be a limiting factor in importing goods into the Philippines, first priority in the allocation of dollar exchange will be given to food staples. As a condition for issuing licenses, the Price Stabilization Corporation stipulated that importers must certify that the prices charged by foreign suppliers were no higher than those charged to the latter's most favored customer. This has been interpreted as meaning that the price of shipments to the Philippines must be equal to the lowest price to the most favored customer based on quantities offered on the same date. Sales to government organizations are not to be taken as a basis for price comparison.

VIET-NAM ECONOMIC REPORT

Situated on the eastern coast of Indochina, south of China, east of Burma, east and southeast of Siam, Vietnam is separated from Laos and Cambodia. Independence came to this state within the framework of the French Union in 1949. Politically and administratively it is divided into 3 regions, namely North, Central and South. The population of Vietnam is 22,160,000 in an area of 329,600 sq. miles. Vietnam has trade relationship with most of the countries in East Asia and with Europe and America. Foreign trade statistics show a consistent increase of Vietnam's export-import trade excepting the export of 1949 in postwar years.

Foreign Trade (Indochina Piastres)

	Export	Import
1938	294,000,000	1,887,600,000
1948	1,124,400,000	2,263,200,000
1949	1,071,666,813	3,801,081,041
1950 (Jan.-June) .	571,600,000	1,672,200,000

Main exports are rice, maize, and other cereals; pepper, tea, tobacco, vegetable oil and rubber; live stock, hides and skins, fur, lacquer, canes and cane baskets, etc. The direction of trade in 1949 shows Vietnam's export to China, Hongkong, India, Indonesia, Japan, Malaya, Singapore, Philippine, Thailand constituted 29 per cent. of the total export trade. Hongkong was the largest importer of Vietnam's produce, 158,047,395 piastres. Singapore and Japan were second and third with 113,510,645 and 41,473,981 respectively. Among other Asian countries to whom Vietnam exported in large quantities in 1949 were India 1,515,764, Malaya 1,118,091, the Philippines 1,424,238 and Thailand 20,490.

The potential exports, given political stability, is much greater than what has been possible for Vietnam to export to the Far Eastern countries.

Agriculture is the main occupation of the State. Some 80 per cent of the population live from the land. The main produce of agriculture are rice, maize and rubber. Some others of secondary importance are groundnuts, castor seeds, sugar, maize, tobacco, coffee, tea and etc. Forest product is a great source of income to this country.

Among mineral resources coal occupies the first position. Other important minerals than coal which are being extracted are iron ore, zinc, manganese and tin.

The working of the tin and wolfram mine in North Vietnam has not been resumed because of hostilities. The mine has suffered heavy damage. Cement and textiles are the two important industries. About seventy-five per cent of the prewar output of cement has been restored. Main handicap in increasing output is because of the difficulty in securing the raw materials. Marked improvement is noted in the increase of production of cotton yarns and cotton piecegoods in 1949. In glass

industry about 70 per cent of the prewar production has been resumed. Before the war mechanical engineering industries attained a high degree of development, including mechanical construction shops, foundries, forges and dockyards. All these facilities have been restored.

The official industrial plans have two immediate aims. First to rehabilitate the damage suffered during the second World War and the subsequent hostilities, and secondly to replace worn out equipment and to augment existing equipment to meet the increased production envisaged. There is at present and will be for some time to come, a shortage of skilled technicians among Vietnamese. However Government is doing its best to send students abroad for technical training in the field of Agriculture, Mining, Chemical and Mechanical industries etc. In July 1950 the Associated States and France agreed to regroup most of the

research organisations existing in Indochina in one large centre called the "Scientific and Technical Research Centre," which will be administered on a four power basis.

Plans have been submitted to ECA for approval in using 196,000,000 piastres for rehabilitation in North Vietnam from the total grant, the major breakdown of which is as follows: Agriculture 22 million, raw materials 10 million, clothing 4 million, food 8 million, office equipment 16 million, medicines and pharmaceutical goods 45 million, transport 35,700, iron and steel products 55 million, radio equipment 1,400,000. The imports of American products will be sold in the local market and the proceeds thereof be used for the purpose of rehabilitation. Along with the improvement of the present insecurity which is responsible for impeding the development of certain branches of the economy in Vietnam, and the return of normal conditions the developments of trade and other economy could be much higher than that of prewar days.

CEYLON'S MOTOR VEHICLE TRADE

There were 56,646 Motor Vehicles in Ceylon on December 31, 1950. This was made up as follows: 34,212 motor cars and cabs; 3,145 buses; 11,160 lorries; 197 tractors; 470 trailers and 7,462 motor cycles.

The number of vehicles imported last year (1950) was 4,240. They were from: United Kingdom—3,771; Canada—48; Czechoslovakia—101; France 84; Italy—172; U.S.A.—61; and Germany—3. Of the vehicles imported from the U.K., 2,650 were motor cars.

The total quantity of Petrol imported in 1950 was 27,246,588 gallons. The imports of Diesel Oil totalled 26,579,435 gallons.

A visitor to Colombo cannot help being struck by the very large number of motor cars in the streets which during the morning and afternoon rush hours tend to jam all the traffic. The growing motor-consciousness of the people has been necessitated by the unusual spaciousness of Colombo where the possession of a motor vehicle might not be regarded as a luxury. Also city people are taking whenever possible time out to roam around in the beautiful countryside and as highways are, fairly generally, in very good condition, motoring is very much encouraged. Motor vehicles are mainly concentrated in the capital of the country, Colombo, but they are also found in large numbers in Jaffna and in Galle, the other leading commercial ports of the country.

That so many motor cars have been imported last year is a reflection of the prosperity enjoyed by the people. With the rubber and other raw materials boom on, the earnings of the producers and merchants were becoming a source of embarrassment, and part

of these funds has been turned into the purchase of motor vehicles. As the high prices for Ceylon's products continue this year and there is as yet not to be seen any possibility for a recession, imports of more motor vehicles will be witnessed in 1951. The traffic authorities are studying measures to control motor traffic but as far as Colombo is concerned they will have to look for cooperation from the Public Works Ministry whose duty it will be to plan, and speedily carry out, construction of new roads, widening of old thoroughfares and providing adequate parking spaces. Colombo has haphazardly developed and the whole city, with all its charm, needs rebuilding in order to become a modern trading centre.

LOCOMOTIVE MANUFACTURE IN INDIA

Chittaranjan, in West Bengal, was the scene of a historic ceremony on November 1, 1950, when the President, Dr. Rajendra Prasad, performed the Nam-karan of Indian Railways' Locomotive Manufacturing Workshops. Named after one of India's most illustrious sons, Chittaranjan, about 20 miles from Asansol on the E.I.R., was until recently a vast arid tract, but has now been transformed into a great industrial township humming with activity with thousands of men at work, handling the most modern machinery. The Chittaranjan Workshops, now nearing completion, are expected to make India self-sufficient in regard to locomotives. When in full operation, the Workshops will be the largest manufacturing unit of its kind in Asia.

In less than two years and a half from its commencement, the entire project which is estimated to cost Rs. 140 million, has been planned, drawings and specifications prepared, and enormous quantities of stores procured and moved. More than 60 percent of the work on the project has already been completed and steady progress recorded in the erection of machinery in the various shops. The Light Machine Shop has been in production since January 26, 1950—the Republic Day—and, besides producing nearly 300 items for the "W.G." 2-8-2 type freight locomotives, it has in recent months manufactured spare parts for the E.P. and Assam Railways which have no workshops of their own.

History of the Project:—The need for the establishment of a key industry of this nature cannot be over-emphasised. Although the principle of setting up a workshop for the manufacture of locomotives in the country was accepted by Government in the

early twenties of this century, for one reason or the other, it remained only a paper plan. Twice in a generation India Railways acutely felt their dependence on foreign sources for the supply of locomotives. At the end of World War II railway operation was severely handicapped by a high proportion of over-age engines which were awaiting replacement. In 1946 Government decided to set up the locomotive workshops near Kanchrapara but the work was interrupted by the partition of the country, necessitating the selection of a new site. The choice finally fell on Mihijam (now known as Chittaranjan) which has several obvious advantages. It is ideally situated adjoining as it does the labour surplus districts of Santhal Parganas and Manbhum in Bihar and in close proximity to the coal belt and the site of the proposed Maithon Dam of the Damodar Valley Corporation.

The Workshops:—The workshops and the Colony spread over an area of more than 7 sq. miles. The construction of the workshops has had to proceed concurrently with the building of a township and the necessary ancillary services to house the staff. A 3½ mile long railway siding taking off from the adjacent Rupnarainpur station was laid to facilitate the transportation of stores and material to the works area. An idea of the magnitude of the job may be gathered from the quantity of materials already used—150 million bricks, 6 million hollow concrete blocks equivalent to 42 million bricks, 70,000 tons of cement, 6 million cubic feet of ballast, 1,500 tons of timber, 20,000 gallons of paint, 11,000 tons of steel for workshops and 16,000 tons for staff quarters, 120 miles of water supply pipes and about 100 miles of sewer pipes. The covered area of all the shops is 880,000 sq. feet and with

the offices the total area is over a million sq. feet. The shops are all of steel construction with corrugated asbestos roofing and cloaking with north lighting. The Assembly shop—the largest in the whole project—is 1,560 ft. long and 212 ft. wide and rises above the floor level to 75 ft. Machinery and plant are all of the latest design and of well-known makes. Each machine is a self-contained and motor-driven unit. The machines and the fitting area have been arranged to permit of unidirectional movement of material.

Until the Damodar Valley Corporation is in a position to supply hydro-electric energy, the requirements of the workshops are being met by a thermal stand-by power station consisting of three 600 K.W. Diesel Oil Engine sets, supplemented by smaller Diesel Engine Generator sets with a total additional capacity of 700 kw. It is estimated that for each new locomotive built 100,000 units of electrical energy will be consumed.

Production Plan:—The ultimate objective is to achieve a production rate of 120 steam locomotives plus 50 spare boilers per annum. The manufacture of a considerable quantity of spare parts will also be undertaken for supply to Indian Railways.

The maximum production rate is planned to be reached by a process of steady development over a few years. In order that this process may be accelerated to the maximum, an agreement was arrived at with the Locomotive Manufacturers Company, an association of the leading Locomotive Manufacturers in U.K. Besides giving expert advice, the Company will make available to Chittaranjan technicians and skilled supervisory staff to be replaced as soon as possible by Indian technicians. The Company will also supply components which are required in augmentation of Chittaranjan's production in order to produce complete

locomotives. As more and more components are taken up for manufacture at Chittaranjan, the import from the Locomotive Manufacturers Company will be proportionately reduced. The agreement provides for the following production schedule:

By the end of	No. of locomotive to be turned out of Chittaranjan	Target percentage of parts to be manufactured at Chittaranjan
1950	3	—
1951	33	30
1952	45	70
1953	66	80
1954	90	100

All going well, there is every chance of the completely Chittaranjan made locomotive being turned out in 1954.

Manpower:— One of the most important items which will influence production is manpower. Ultimately about 2,000 skilled artisans, augmented by an equal number consisting of supervisors, and semiskilled and unskilled labour will be required.

The plan is to obtain a nucleus of experienced workmen and supervisors from railway workshops, where processes and operations similar to what are required to be developed at Chittaranjan are already in existence. This nucleus will be supplemented by the recruitment of skilled personnel from the open market. The assistance of the Employment Exchanges is being secured for this purpose.

From the blueprints to the actual buildings, Chittaranjan has been planned as a model town—a town that will measure up in civic amenities and character to the spirit and ideals of the great Indian after whom it is named.

Chittaranjan has been planned to accommodate 5,000 workers and their families. The undulating topography necessitated the planning of the township in colonies of composite, self-sufficient units. Wide open spaces lie between the colonies, intersected by metalled roads. Five thousand residential quarters occupying about 1,000 acres of land are to house the inhabitants of Chittaranjan, and every single house will have electricity, continuous supply of filtered water, sanitized lavatory and baths, separate kitchens and waterborne sewage. Each house in Chittaranjan has been provisioned with the basic facilities that there are in a modern house. The township has modern sanitary arrangements for cleaning the sullage water and the sewage from residential areas. There will be 54 miles of open masonry drains for carrying the rain water. Each composite colony will have its shopping centre, maternity clinic, school, play-fields, dispensaries, parks; lakes, social amenity centres, recreation institutes. The main hospital situated centrally, will provide medical attention for all residents of the townships.

INDIAN TOBACCO

India occupies an important place amongst the tobacco producing countries of the World. Prior to its partition it was the second highest producer and after partition it is third, after the U.S.A. and China. The estimated total area under tobacco in the Indian Republic in 1948-49 was about 6 million acres with an estimated output of 530 million lbs. Madras is by far the most important State accounting for nearly 50 percent of the area in the country. Bombay, U. P. and Bihar are next in importance in that order and together claim about 40 percent of the total acreage in the country.

Important Species and Varieties:—

The two important tobacco species viz; *nicotiana rustica* and *nicotiana tabacum* are cultivated in India. Even though the former species covers quite a large area it is less important commercially as the types produced under it are not quite suited for the modern tobacco industries of the world. The export trade with Burma in one of the extensively grown variety under this species viz; *Motihari* has now dwindled down to negligible quantities as a result of the dislocation of trade due to the last Great War. At present there is little or no demand for *rustica* tobacco from other countries and it is mostly consumed within the country. The other species viz; *nicotiana tabacum* is distributed throughout the country and occupies a much greater area. It also plays an important role in the international tobacco trade. The important types of this species cultivated in India are cigarette, cigar, cheroot, bidi, chewing, hookah and snuff tobaccos. Under the cigarette type, Virginia tobacco of varying degree of excellence is produced in the country. The production of Virginia tobacco is concentrated mainly in the Madras State. The important Virginia growing districts are Guntur, Kistna, East and West Godavari. This variety is also cultivated in Bihar, the United Provinces and in the Mysore, Hyderabad and Baroda States but the production is very small and scattered. The acreage under Virginia in the Madras State increased steadily from 110,000 acres in 1944-45 to 133,000 acres in 1947-48. It, however, decreased in 1948-49 when the acreage under tobacco was estimated at 123,820 acres. The chief Virginia variety grown in India is Harrison Special. A little over 95 percent of the Virginia tobacco produced in India is cured in fluecuring barns and the balance is cured in the sun. The annual production of fluecured Virginia tobacco is estimated at a little over 95 million lbs. and that of sun-cured Virginia at about 5 million lbs.

Though on a small extent, White Burley tobacco is also cultivated in India, mainly in Chilakaluripet and

Parchur irkas in the Guntur district in the Madras State. The area under this variety is estimated at about 1,055 acres with a total production of about .65 million lbs. This is usually exported out of India.

Natu (country) tobacco grown in Guntur East and West Godavari Districts and Vizagapatam Districts in the Madras State and *Desi* (country) tobacco grown in the Bihar State are also used in the Manufacture of low grade cigarettes as well as for pipe and shag mixtures. The area under *Natu* tobacco in the South India is estimated at 87,493 acres in 1949-50 with an estimated production of 61.0 million lbs. The primings of *Natu* tobacco otherwise known as *Jutti* are especially suited for the manufacture of low grade cigarettes, particularly in view of the light body of the leaf.

A local cigar variety known as *Usikappal* is grown in the Trichinopoly and Coimbatore districts in the Madras State. The main cheroot types cultivated in India and *Natu* (country) tobacco grown in the Guntur district and on Lanka lands in the Kistna and Godavari rivers in the Kistna and West and East Godavari districts, as also in Trichinopoly, Madura and Coimbatore districts in Madras State and Bhengi variety of Jati tobacco grown in Bengal.

The *bidi* tobacco is mainly produced in the Gujarat and Nipani areas of the Bombay State and to a small extent in the Mysore State. The principal varieties of *bidi* tobacco grown in the Gujarat are Gandiu, Piliu and Kellu and those cultivated in the Nipani area are Mirja, Nipani and Sangli.

No variety is specially grown in any appreciable extent for chewing, hookah or snuff alone. Thus the *Desi* (country) variety grown in Bihar is used for chewing and also for hookah and even to some extent for cigarettes. *Desi* tobacco of Uttar Pradesh though primarily used for chewing is also used for hookah. Similarly Jati tobacco of Bengal is used both for chewing and hookah.

Export by Varieties:— The bulk of the tobacco production in India is consumed within the country and only a small production is exported to foreign countries. The quantity of unmanufactured tobacco exported out of India is not however inconsiderable. 71 million lbs. of unmanufactured tobacco were exported out of India during the period April 1949 to March 1950. The principal destinations of export were U. K., Sweden, Belgium, Aden and Dependencies, Egypt, Ceylon, and Western Pakistan. Other destinations were Eire, Straits Settlements, Hongkong, Netherlands, Western Germany, U. S. S. R. (Southern), Japan, Zanzibar and Pemba, Yemen,

and Maldives. The important varieties of tobacco exported out of India are flue-cured Virginia, sun-cured Virginia, White Burley, sun-cured *Natu* (country) and bidi tobacco. The quantity available for export annually may range from about 60 or 70 million lbs. of which flue-cured Virginia may be reckoned at 30 million lbs., sun-cured Virginia 3 million lbs., White Burley 1 million lbs. and sun-cured *Natu* (country) 7 million lbs.

The Indian flue-cured Virginia has gained a specific use in the tobacco manufacturing industry in the U. K. and other Continental countries. It is well known for its bright colour and neutral flavour and these characteristics enable it to be used in blending without impairing the colour of the blended tobacco or its aroma. There is also a fairly good demand for sun-cured Virginia, White Burley and sun-cured *Natu* (country) from the U. K. and Continental countries of Europe and Egypt, mostly for the manufacture of pipe and shag tobacco mixtures. Export of Indian tobacco to U. K. has increased considerably recently; 40.8 million lbs. of unmanufactured tobacco worth Rs. 67.3 million were exported to U. K. in 1949-50 as against 26.8 million lbs. worth Rs. 37.0 million in 1948-49.

Quality Characteristics of Different Varieties:— Bright lemon or bright orange colour, fine texture, fine aroma, good combustibility, good body and elasticity, good keeping quality and early maturity are the main requirements of a good cigarette tobacco. For cigar and cheroot tobacco the length of the leaf and its texture, strength and aroma play an important part. The quality characteristics of the above varieties are described below:—

(I) Flue-cured Virginia

The length of the leaf varies from 12" to 18" and over. It has bright lemon or bright orange to dark brown colour. The leaf has fine veins and fine and silky to medium texture. It has thin to medium body. It burns slowly and continuously and renders white ash. It has neutral flavour and can, therefore, be blended easily with other tobaccos. It matures just as well as any Empire and other tobaccos.

(II) Sun-cured Virginia

It has bright to dark brown colour with good to medium texture. It has good body and medium strength. It can be used for filling medium to low grade cigarettes.

(III) White Burley Tobacco

It has light brown to dark reddish colour. It has good to medium texture and body.

(IV) Sun-cured "*Natu*" (Country)

The length of the leaf varies from 18" to 24" and over. The leaf has a pleasing aroma. It has thin to medium texture with good elasticity. It burns

INDIAN WOOLLEN COTTAGE INDUSTRY

Hand spinning and weaving of wool has been carried on in India since time immemorial. The Handloom (Woollen) Industry is scattered all over the country. Although there are no exact figures regarding the extent and structure of this industry, the Fact Finding Committee has estimated that there are about 100,000 handlooms engaged on wool. In addition there are handlooms which produce carpets of complex designs and shades to cater for the internal and external markets.

Seventy-five percent of this woollen handloom industry is concentrated in Northern India in the States of U.P., East Punjab, Kashmir and Rajasthan. The main reason for this is the extremely cold climate generally experienced during winter in Northern India.

This valuable industry caters for our clothing in winter by producing blankets, durries, carpets, tweeds, shawls, lohis, coatings, pattus, scarfs, etc. Some of the knitted articles such as socks, pullover, jerseys, etc. are also produced on a small-scale basis. Apart from satisfying civilian needs, the industry is also invaluable for Defence requirements. During the last world war the industry supplied thousands of barrack blankets and blanketing cloth.

The Industry has also its place in the Export Trade. The shawls and carpets of Srinager, Amritsar and Mirzapur, the druggets of Mysore and Bellary find their way as far as U.K.

well. The bright and light brown grades are used in the manufacture of low grades whilst the darker grades are used for pipe and shag tobacco mixtures.

(V) Bidi Tobacco

The cured leaf from Gujerat is 12" to 15" long, greenish to yellowish brown in colour, thick in texture and of medium strength. The cured leaf from Nipani area is 12" to 18" long yellowish to dark brown colour sometimes with dark spots, thick in texture and of strong flavour.

The flue-cured Virginia tobacco comes into the market in the month of January and the supplies are highest in the months of February to April. The sun-cured Virginia and White Burley tobacco arrive in the market in the last week of March and the maximum supplies are received in the month of April. The Sun-cured *Natu* (country) tobacco comes in the months of May and June. The maximum supplies of *bidi* tobacco are received in the market in the months of March and April.

Grade Standards and Overseas Demand:— The Flue-cured Virginia tobacco is graded into several grades. The bright coloury tobacco is mostly exported to the United Kingdom mar-

ket in the form of redried strips. Tobacco is packed in bales, wooden cases or hogsheads. The tobacco in each type of these packages is pressed by means of hydraulic press or chain press. This variety of tobacco is also exported in the form of non-redried or redried leaf. The demand for the tobacco in this form is mostly from the continental countries in Europe, Egypt, Ceylon and the Far Eastern countries, where lower grades of tobacco are preferred on account of their low prices. The primings (jutti) and top leaf of this variety of tobacco are also exported out of India. The demand for these qualities is mostly from continental countries.

The industry is being helped not only for the sake of export trade but also for keeping the cottage workers employed. It was with this end in view that the Government started plans for the development of the Woollen industry in India many years ago. Grants were allotted to different Provinces and States for introducing schemes for the expansion and development of this industry consistent with local conditions. As a result, various Provincial and State Governments appointed Wool Development Officers in their areas to promote this industry. Schemes were prepared by many Provinces and States to organize weavers on Co-operative lines and to impart training in improved methods of manufacture.

The main features requiring careful consideration and assistance at present are: (1) organisation, (2) technical guidance, (3) marketing, and (4) the supply of good quality raw material.

The organization of the workers has been the first problem and this has been tackled well in certain Provinces by the formation of Co-operative Societies. Much more remains to be done in future to bring more and more workers into the co-operative fold.

Sun-cured Virginia is graded into five grades and White Burley into three grades only and these are mostly exported in strip form. The demand for this variety is mostly confined to U. K. at present. *Natu* tobacco is graded into nine grades. The demand for this variety is mostly from the United Kingdom, Egypt and to a small extent from the continental countries and Ceylon.

No statutory grade standards have yet been laid for Bidi tobacco. The demand for this variety is mostly from Pakistan and Aden and Dependencies.

FOREIGN TRADE OF THAILAND

TRADE BY PORTS

A. Port of Bangkok

January to December 1950

(Baht thousand)

	1949	1950
Imports	2,135,104	2,716,973
Exports	2,170,562	2,571,774
Total	4,245,666	5,288,747

B. Total for whole Kingdom

January to October 1950

(Baht thousand)

	Port of Bangkok	IMPORTS		Port of Bangkok	EXPORTS	
		Provincial Ports	Total		Provincial Ports	Total
1949 Jan.-Aug.	1,433,768	99,580	1,533,348	1,520,429	897,122	1,917,551
September	170,561	12,040	182,601	156,152	51,510	207,662
October	154,261	10,545	164,806	101,301	60,420	161,721
Jan.-Oct.	1,758,590	122,165	1,880,755	1,777,882	509,052	2,286,934
1950 Jan.-Aug.	1,785,962	101,269	1,887,231	1,641,608	596,158	2,237,766
September	248,744	18,590	267,334	252,699	95,061	347,760
October	179,200	16,064	195,264	242,912	98,459	341,371
Jan.-Oct.	2,158,906	130,923	2,289,829	2,137,219	789,678	2,926,897

PRINCIPAL EXPORTS FROM THAILAND

A. Rice Exports

January-July 1950

Recipients	1949	1950
	Jan.-Dec. Metric Tons	Jan.-July Metric Tons
United Kingdom	26,100	25,000
Ceylon	87,005.6	80,367.9
Hongkong	53,585	103,105.3
India	313,734	7,416.2
Malaya	261,868.9	221,847.5
N. Borneo & Sarawak	24,878.2	10,745
China	78,538.5	—
Holland	23,399.7	80,899.9
Indonesia	134,750.2	25,847.7
Japan	112,629.8	284,051.1
Philippines	41,213.5	6,419.2
UNICEF	1,249.9	—
Others	85,405.1	94,491.5
Total	1,215,852.9	843,383.3

Monthly average:

1949	101,321.1 metric tons
1950 (Jan.-July)	120,483.3 metric tons

B. Rubber Exports for 1950

(Unit: Thousand)

	To Sterling Group		To US\$ Group		Total	
	Kgs.	Baht	Kgs.	Baht	Kgs.	Baht
1950						
Jan. 1,168	2,624	5,584	17,087	6,752	19,711	
Feb. 1,041	2,646	9,664	31,201	10,705	33,847	
Mar. —	—	8,179	25,676	8,179	25,676	
Apr. —	—	9,199	31,770	9,199	31,770	
May —	—	7,032	27,914	7,032	27,914	
June*	—	8,327	37,018	8,327	37,013	
July —	—	12,568	69,094	12,568	69,094	
Aug. —	—	11,469	74,676	11,469	74,675	
Sept. —	—	11,369	86,394	11,369	86,394	
Oct. —	—	9,227	71,329	9,227	71,329	
Nov. —	—	8,448	78,535	8,448	78,535	
Dec. —	—	9,443	98,699	9,443	98,699	

* Exports to Japan are included in export figures to US\$ Group since June 1950.

C. Tin Exports for 1950

(Unit: Thousand)

	To Sterling Group		To US\$ Group		Total	
	Kgs.	Baht	Kgs.	Baht	Kgs.	Baht
1950						
Jan. 517	7,447	39	499	556	7,936	
Feb. 630	13,979	890	12,912	1,620	26,891	
Mar. 653	11,006	197	2,545	850	13,554	
Apr. 819	11,844	158	2,109	977	13,953	
May 989	13,247	560	7,426	1,549	20,673	
June 878	12,455	207	8,407	1,085	15,862	
July 1,223	20,852	199	2,002	1,362	22,854	
Aug. 947	18,061	448	6,410	1,895	24,471	
Sept. 969	18,538	154	2,842	1,123	21,381	
Oct. 639	13,767	644	10,847	1,283	24,114	
Nov. 996	24,755	87	2,079	1,083	26,534	
Dec. 1,024	26,950	641	13,353	1,665	40,903	

The problem, of technical guidance, will be met when the Wool Technological Institute now under consideration is started. This Institute will turn out students trained in all phases of manufacture and some of these will devote their skill to the instruction of the village workers. The proposed Central Training and Research Institute of Cottage Industries, at Hardwaganj, will pay special attention to the training required to develop this industry in rural areas. In the meantime, there are many centres and demonstration parties working under the State governments which are doing valuable work to introduce technical knowledge and improved appliances to the remote villages.

The Central Government has been interested in the marketing of goods both outside and inside India and only lately the Central Cottage Industries Emporium was started in Delhi, to market and advertise the goods made in the States. Indian Trade Commissioners abroad are also taking active steps by way of exhibitions, advertising and publicity to promote interest in hand-made goods. Recently some Indian shawls and carpets were exhibited at the International Wool Exhibition in London and were very much appreciated by the press and public there.

Turning to raw material in India there is approximately 54 million lbs. of wool annually of which nearly 30 million is exported mostly to U.K. and U.S.A. for use in the carpet industry. This wool is not suitable for the production of the finer types of cloth and for this purpose wools and tops are imported from abroad just as in the cotton handloom industry India is obliged to import the finer types of Egyptian or American cotton for the manufacture of fine yarn. In the pre-war days considerable quantities of imported yarns were used in the woolen handloom industry but practically no imported fine wool has been used for hand spinning. If the cottage industry is to produce good light weight fabrics, a consistent supply of fine quality wool or yarn must be made available to the village workers and that is possible only by buying on bulk basis through Co-operative Societies.

COMMERCIAL NOTES

Export Restrictions in the United Kingdom

In the United Kingdom shortage of copper and zinc has led to restrictions on issue of metal to industry. It has also been necessary to restrict the export of semi-manufactured copper and announcement has been made to the following effect.

In view of the extreme scarcity of copper and copper alloy the rate of export will be limited during the 3 months following April 1st to approximately half rate prevailing in the first 6 months of 1950. All applications for export licences will be considered on their merits and due weights will be given to conversion value to established patterns of trade and to the importance of end use. The export of semi-manufactured zinc will be permitted only in exceptional circumstances.

Applications for Colonial destinations will be dealt with the Export Licensing Branch of the Board of Trade in consultation with the Colonial Office.

Import of cotton textiles from India during 1951

In view of the general shortage of cotton textiles, the Government of India have decided to stagger exports against licences already issued. In implementation of this decision, orders have been issued restricting Indian mills from packing for export more than 10% of the total quantity manufactured by them during each of the three months April, May and June 1951.

The restriction mentioned above will necessitate extensions of the validity of licences already granted to exporters and the following policy will be followed in regard to applications for extension:—

- on no account shall the validity of licences issued prior to 1st April, 1950 be extended;
- suitable extensions may be granted in respect of licences issued on or after 1st April 1950, provided shippers concerned have not been able to complete shipments within the period of existing validity on account of circumstances beyond their control. Before granting such extensions, however, the following points will be noted:
 - No licence shall be extended beyond December 31, 1951.
 - No licence shall be extended beyond a period of one year from the date of issue.

It has also been decided that no fresh licences shall be issued for pseudo-fine (i.e. cloth of fine warp and coarse or medium weft) and fine and superfine cloth against applications which have been pending since the stoppage of licensing.

HONGKONG'S TAI-KOO SUGAR REFINING CO. LTD.

The Tai-Koo Sugar Refining Co., Ltd. was established in Hongkong in 1884, the equipment being supplied by Messrs. Blake, Barclay & Co., Greenock, Mr. Blake of that firm being the first engineer and Dr. Korn the first Manager. It was rebuilt in 1926 and at the same time re-equipped with machinery purchased through Messrs. Fawcett, Preston & Co. of England, making it the largest and most modern and efficient Sugar Refinery in the Far East.

During the last war the premises suffered severe damage and in addition to what was virtually the total loss of all plant and machinery, all buildings suffered from bomb damage in varying degrees. The Power House, Boiler House, Norit Kiln House, Melting House, Coal Silo, Machine Shop and the Raw Sugar Godowns were extensively damaged. During the Japanese Occupation the Japanese stripped all the machinery from the main sugar houses and on re-occupation, this was found to be lying in the compound seriously deteriorated by the elements. It was evidently the intention of the Japanese to ship this machinery to Formosa or Manchuria for re-erection in their own sugar refineries but they were prevented from doing so by the intensive Allied submarine warfare.

On taking over the premises again in September 1945 the decision to rehabilitate was postponed until the world sugar situation became clearer, but in the meantime the buildings were repaired and put to storage purposes thus considerably alleviating the acute shortage of storage space which prevailed in the Colony until only recently.

In late 1947/early 1948, the decision was taken that potentialities justified rehabilitation and completely new machinery was ordered from Fawcett Preston & Co. Ltd. in the U. K. at a very considerable cost, but it was not possible to obtain delivery of this until the beginning of 1950.

It might here be mentioned that the Refinery has not received anything in the way of war damage compensation and the entire cost of rehabilitation and re-equipment with new machinery has been financed from the Company's own resources.

* * *

The Refinery is now equipped with the latest machinery in the way of melters, filters, vacuum pans, crystallisers, centrifugals, cube sugar plant and handling devices. The former Refinery utilised the Carbon Process for de-colourisation, but advantage of the opportunity was taken to change over to Char which gives an even purer and whiter sugar. Steam, which is an essential in the process of Sugar refining, is produced from boilers supplied by Messrs. Babcock & Wilcox Ltd. and

this is also used for motivating the Refinery's own generators for producing power. By arrangement with the Hongkong Electric Co. Ltd. a Standby Supply of electricity is available for use in an emergency and also at week-ends. The boilers are oil fired but provision has been made for a change over to coal should the latter become more economical.

The compound which has an area of over half a million sq. ft. is situated on King's Road, Quarry Bay on Q.B.M.L.1 adjoining the Taikoo Dockyard & Engineering Co. of H.K. Ltd.'s premises. The buildings consist of two six-storey reinforced concrete sugar refining buildings, a candy House, two four-storey reinforced concrete refined sugar godowns, a range of single storeyed raw sugar godowns, boiler-house, power-house, workshops, stores godowns, factory offices and sundry other ancillary buildings essential to the process. An important element in sugar refining is water and the Refinery has its own reservoirs, dams and water filtration plant.

The north end of the compound faces the harbour with a deep water berth where ocean ships may discharge raw sugar, and there is also a smaller wharf for shipping off refined sugar by lighters and junks to the carrying vessel.

Refining recommenced in September 1950 and under the present position of planned distribution of Sugar within the British Commonwealth and Colonies, production has hitherto been

confined almost entirely to Sugar for the Hongkong and Malayan Governments under a special arrangement with the British Ministry of Food although small quantities of Sugar in retail packings have been made available in the local market. It is hoped, however, to turn attention shortly to the Company's former general export trade.

As at present constituted the new Refinery is somewhat smaller than formerly but provision has been made for expansion should the need become apparent and it is the intention to lay emphasis on high grade Crystal Sugars and Retail Packings, but soft sugars will be produced should the demand arise. The Tai-Koo Sugar Refinery's products were well known amongst all Communities throughout the East, the most popular of the retail brands being TK Fine Granulated, Half Cubes, Icing, Caster and Golden Syrup. In pre-war days, besides catering for Hongkong consumption, there were large exports to Malaya, India, Ceylon, British North Borneo, Siam, Indo-China, South Sea Islands, Iraq, Iran, West Africa, South Africa and China, and it is hoped eventually, although post-war controls still exist in some of these countries, to re-enter these markets thus adding considerably to the Colony's export trade.

Molasses is produced as a residual product for supply to local distilleries and also for export.

The registered offices of the Company are at 1, Connaught Road, Central, and the Sales & General agents in Hongkong are Messrs. Butterfield & Swire; the London Agents being Messrs. John Swire & Sons, Limited.

HONGKONG'S MANUFACTURES

Recent figures dealing with the export of Hongkong manufactures to countries requiring a certificate of origin or Imperial preference certificate, have considerable significance as indicating the way in which local industries are developing in spite of shortages, embargoes, high prices for raw materials, and other handicaps that have to be faced by the makers.

According to figures issued by the H.K. Department of Labour, at the end of 1950 the number of factories and workshops registered with the department was 1,244 employing a labour force of around 92,000. Of these, 95.45% were employed in local manufactures, 31% being in the textile industries. This does not take into consideration the number of small industries located in squatter villages and dwelling rooms, which do not come under the requirements for registration and which employ around 20,000/30,000 workers. The variety of items made in the local factories comprises cotton yarn, cotton piece goods, underwear, knitted wares shirts & clothing, etc., as well as electric

torch cases, enamelware, buttons, pencils, vacuum flasks, shoe laces, tooth-brushes, rubber shoes, silk, towels, and a host of other articles.

A large proportion of these goods is naturally for local consumption. Even so, however, it is interesting to see how much can be spared for export abroad, and of this a good criterion is afforded by the number of the above certificates issued to cover exports, although the fact that such countries as the United States do not require a certificate of origin necessarily limits its value in gauging the quantity of local manufactures exported from the Colony.

As shown by the figures for 1950 issued by the Dept. of Commerce & Industry, details of which were given in the Review of February 1, No. 5 (page 138), locally-made goods exported under the certificates mentioned, that is, mainly to British Commonwealth countries and a few others, amounted in value to HK\$196,573,635 (£12 million). Shipments increased during the year until for the third quarter they reached the amount of

\$74.54 million; then, with the drastic enforcement of the US embargo upon shipments of certain materials to China, which included Hongkong in its scope, and the off-loading of goods en route to the Colony, exports of local products dropped steeply to \$46.39 million for the last quarter of the year:

1950 First quarter	\$30,499,000
Second quarter	45,148,000
Third quarter	74,539,000
Fourth quarter	46,393,000

With the turn of 1951, however, it is encouraging to notice that exports of local goods appear to have recovered in a remarkable manner,—even after taking into consideration that increases in price have had to be made following rises in the cost of raw materials obtained from abroad. For the first two months of the year, the total of shipments to British Commonwealth countries under the certificates mentioned amounted to \$45.33 million, or 23% of the total value of such exports for 1950. Further, these two months are almost equal to the total for the last three months of 1950, i.e., \$46.39 million, and exceed by 139% the amount for Jan./Feb. 1950 and by 39.6% the monthly average of \$16.38 million for the whole of 1950:

	1951 \$	1950 \$
January	22,874,360	9,704,802
February	22,459,048	9,060,934
	<u>45,333,408</u>	<u>18,765,736</u>

Incidentally, these two months individually are not more than \$7/\$8 million below the highest value reached in 1950, namely, \$30.1 million for July.

A breakdown of exports to the different countries concerned shows that in Jan./Feb. 1951 Great Britain, Pakistan, Malaya and British West Africa took between them 76.5% of the total quantity of goods shipped, whereas in 1950 for the year they took 67.7%. Great Britain and Pakistan together were responsible for 65.8% of the total as against their proportion of 56.6% for the previous year. This increase, however, was due to heavier shipments to Pakistan, those to Great Britain having fallen:

	1951 Jan./Feb.	1950 Jan./Feb.	1950 (Year)
Gr. Britain ..	7,604,945	8,302,168	45,485,131
Pakistan ..	22,220,828	591,838	65,855,163
Malaya	2,836,920	1,238,041	12,547,245
Br. West Africa ..	2,018,899	869,136	9,384,532
	<u>\$34,681,592</u>	<u>11,000,678</u>	<u>133,272,071</u>

HONGKONG DEPT. OF LABOUR

REPORT FOR QUARTER ENDING MARCH 31, 1951

General

The high cost of many raw materials and the shortage of others have caused much anxiety amongst manufacturers. Many factories have been working short hours or on a half time basis with a rotation system for employees. There have been a few closures amongst smaller factories and some of the larger factories have had temporary stoppages.

The small knitting and weaving establishments have been hard hit by the high price of cotton yarn, which, since December, 1950, has advanced from \$1,750 to \$2,200 for Indian Yarn and \$1,950 to \$2,450 for H.K. Yarn. This may well prove too heavy for the many inefficient and uneconomical cottage weaving industries which have been struggling for existence against the many new or modernised weaving sheds now in operation.

Small metal ware factories and some of the large torch and lantern factories are similarly affected by the lack of raw materials. Some of the former are closed or on short time and some of the latter will soon have to consider closing down unless bulk raw materials are available. There is undoubtedly a large number of unemployed but there is no evidence that they are as many as mentioned in some irresponsible press reports. Neither is there evidence that

most of the unemployed are from factories which have closed down during the past four months.

Night work and illegal overtime for women and young persons are on the decline. There were 28 cases of the latter during the quarter as against 43 during Oct./Dec., 1950.

There is still a tendency amongst many factory proprietors to ignore or neglect safety and other provisions and it is unfortunate that the provision of a machine guard costing about \$10. is sometimes preceded by an injury to a worker, heavy fines for a) unfenced machinery, and b) failing to report an accident, and compensation to the injured worker.

There are also many prospective manufacturers who, after paying Key money and installing machinery, find that they have established their factories in non-industrial areas or in premises not suitable for their trades. Prior enquiries at this department would have saved them much time and money.

Production

Cotton spinning mills are maintaining full employment, as are most of the larger and more efficient weaving sheds, which continue to work night shifts. Most of the rubber factories are in full production without working overtime and garment factories making shirts and pyjamas from U.K. or Japanese prints are also in full employment.

Camphor wood chest and rattan ware makers have, for the past two months, been working to capacity.

An industry, new to the Colony is being established in Kowloon. Two factories are now manufacturing hosiery knitting needles and it is hoped that their product will be of great help to the knitting industry which is beginning to suffer from lack of American needles for their machines.

Work of the Inspectorate

A total of 2,691 visits were made during the quarter. Of these 414 were in connection with industrial and occupational injuries and compensation. One hundred and ninety were night visits, mainly in connection with the employment of women and young persons, and 27 were weekend visits to young persons of 14 to 15 years of age. The remainder were routine inspections for the enforcement of safety, health and welfare provisions.

Owing to the wider scope of inspection, the increasing number of enquiries made necessary by both genuine and frivolous claims for workmen's compensation, and the small inspectorate, it has not been possible to follow up the recent surveys of four squatters' villages where many factories were

Locally Made Goods exported during Jan./Feb. 1951

Under Imperial Preference Certificate & Certificate of Origin

	1951 January \$	1951 February \$
Europe:		
United Kingdom	4,837,509	2,767,436
North Europe	259,778	269,418
Australasia:		
Australia	445,792	466,917
New Zealand	90,156	89,105
America:		
Br. West Indies	470,609	395,380
Central America	698,514	513,321
Africa:		
Union of S. Africa ..	1,419,647	884,103
Br. East Africa	1,082,883	709,354
Br. West Africa	1,236,474	782,425
Port. East Africa ..	87,351	21,660
Egypt	98,761	48,447
Asia:		
Malaya	1,658,152	1,178,768
Iraq	9,158	20,838
Br. N. Borneo	183,351	118,757
India	220,133	131,073
Ceylon	517,964	874,175
Thailand	79,860	79,020
Syria	75,280	11,982
Burma	22,560	66,663
Pakistan	8,578,617	13,642,211
Br. Commonwealth, other	369,174	345,435
Indonesian Republic ..	81,541	47,575
Philippine Is.	361,096	—
Totals	<u>\$22,874,360</u>	<u>22,459,043</u>

found operating. In my last report, it was mentioned that several had been closed down and that others were preparing to do so. Some of the latter were given extensions when it was found that considerable improvements have been effected, and although further inspections have not been made it is known that many of the small factories in these villages have closed down.

The Inspectors are now fully occupied with annual renewal inspections which, in view of the increased number of premises and the yearly improvements we are endeavouring to bring about in some industries, take much longer each year.

Young Persons

During the quarter, 277 young persons reached the age of 18 years and were removed from the register. Fifty-six young persons were found and registered, bringing the total to 1,498 on 31/3/51.

Industrial & Occupational Injuries

A total of 153 (14 fatal) accidents involving 158 persons were reported during the quarter. Of these, 97 (3 fatal) were in factories and workshops. (For details see Table A.)

Fatalities in factories & workshops were:

1. Loose clothing caught by a revolving shaft. This happened on a cold morning when the mechanic, who was wearing an overcoat went inside a guard rail in a rice mill to start the motor.

2. Fall from staging in an aircraft hangar.

3. Fall of earth.

Fatalities in occupations other than in factories & workshops:

1. Seaman crushed between two junks during rough weather.

2. Eight persons buried by falls of earth. Five were involved in one land slide.

3. Two falls. One from a roof and one down a quarry face.

Prosecutions

There were 43 prosecutions, all of which were successful. Cautions were administered in 2 cases and fines for the remainder amounted to \$6,540 as under.

Summary of Prosecutions from 1. 1. 51, to 31. 3. 51.

	No. of Cases.	Fines.
Unregistered factory	11	\$2,800.00
Unfenced machinery	4	425.00
Employing Women in prohibited hours (including two cautions)	19	2,665.00
Employing Young Persons in prohibited hours	9	650.00
Total	43	\$6,540.00

Registration of Factories & Workshops

During the quarter, 79 applications for registration were received (For details see Table B). This is the lowest figure since the 2nd quarter of 1949, being 42 less than the average for 1950 and 73 less than the same quarter last year. Those figures are significant in that the quarter in which the Chinese

New Year falls usually brings the largest number of applications.

Sixty-five registration certificates were issued and 30 were cancelled. Sixteen applications were refused and unregistered factories were found and closed down. In all instances the premises were unsuitable.

Details of registration and comparison with the first quarter of 1950 are shown below:

Registration of Factories & Workshops Jan.-March 1951				HK. K. & N.T. Total			
Applications refused	9	16	25	29	60	79	
Registration Certificate cancelled	4	8	12	12	18	30	
Applications refused	2	3	5	6	11	16	
Registration Certificate issued	3	11	14	26	40	65	

Factories & workshops registered on 31.3.51				HK. K. & N.T. Total			
Factories & workshops registered on 31.3.51	370	909	1,279				
Applications under consideration	154	172	326				
	524	1,081	1,605				

B. Applications for Registration as Factories and Workshops during January, February and March 1951				HK. K. & N.T. Total			
Buttons	—	—	1				
Electric Bulbs	—	—	3				
Flour & Rice Mills	—	—	4				
Weaving (Cotton)	—	—	5				
Dyeing	—	—	5				
Saw Mills	—	—	4				
Rubber Wares	1	—	2				
Metal Wares	2	—	3				
Torches	—	—	1				
Camphor (Oil & Powder)	1	—	—				
Needle	—	—	1				
Shipbuilders & Repairs	—	—	1				
Printing	15	—	—				
Engineering	2	—	—				
Glue & Gelatine	—	—	1				
Motion Picture	—	—	1				
Drinking Straw	1	—	—				
Knitting	—	—	8				
Aerated Water	—	—	1				
Plastic Wares	—	—	1				
Tapes	—	—	1				
Mirrors	—	—	1				
Garments & Shirts	1	—	1				
Laundry	2	—	1				
Mantle (Gas)	1	—	—				
Canned Goods	1	—	—				
Furniture	—	—	1				
Foundry	—	—	1				
Campanwood Trunks	—	—	1				
Medicine	1	—	—				
Tin Cans	1	—	—				
Rattan	—	—	1				
	29	—	60				

A. Causes of Injuries and Industrial Accidents Reported from January-March 1950 (153 cases involving 158 persons)				In factories and workshops			
Causes	Total						
Machinery	34 (1 fatal)	30 (1 fatal)					
Transport	6 (1 fatal)	4					
Explosions; Fire	9	4					
Poisonous, hot, or corrosive substances	4	4					
Falls of Persons	40 (3 fatal)	22					
Falling objects	21	7					
Falls of Ground or Earth	15 (9 fatal)	— (2 fatal)					
Handling without Machinery	6	6					
Hand Tools	5	8					
Miscellaneous	18	14					
Total	158 (14 fatal)	97 (3 fatal)					

Hongkong Industrial Reports

Factory Registrations

During March 1951 the HK. Dept. of Labour received 25 applications for registration (9 on the Island and 16 in Kowloon & New Territories); 12 registration certificates were cancelled (4 & 8); 5 applications were refused (2 & 3), 4 being for premises for which no formal application for registration was made; 14 registration certificates were issued (3 & 11).

Below are given details of factories and workshops recorded and registered in March with the labour employed:

	M.	F.	Total
3 Printing	51	2	53
1 Confectionery & Candies	13	37	50
3 Knitting	23	24	47
1 Garments & Shirts	4	27	31
1 Weaving (Cotton)	6	10	16
1 Dyeing	15	—	15
1 Rice Mill	3	—	3
11	115	100	215

Four factories changed their names in March: 1 Engineering, 2 printing and 1 mirror grinding.

Factories and workshops closed in March numbered 11; including 2 print-

KOWLOON CANTON RAILWAY

Monthly Report for March, 1951.—The full effect of the immigration and emigration control imposed by the Chinese Government at Shum Chun on February 15th is apparent in the figures given below for the period under review in this report:—

	This month	Last month
Up	146,179	333,670
Down	150,491	331,940
	296,670	665,610

The Lowu figures were as follows:—

	This month	Last month
Up	31,670	189,047
Down	35,493	178,453
	67,163	367,500

Economies have already been affected by cancelling mixed trains, attaching more goods wagons to passenger trains as well as changes in engine working in order to reduce engine mileage. Further economies will be made during the summer months by the curtailment of some of the services now in operation.

Goods traffic carried was 23,331 tons as against 24,984 tons during the previous month.

Way & Works:—Forty additional temporary platelayers were engaged for a period of 6 months in order to catch up on the time-lag of the 5-year programme of rerailing the Main Line. Due to the late arrival of fastenings and the short supply of sleepers the progress in the first two years was 6½ miles. Up to date, the total mileage re-railed was as follows:—

1947/48	= 1½ miles
1948/49	= 4½ "
1949/50	= 2 "
1950/51	= 3½ "
	11 miles

11 miles have still to be re-railed.

The Port Works Office of the P.W.D. repaired for this Department the fenders and deckings of the Railway Pier at Kowloon in accordance with the recommendations of the Tender Board.

Mr. Gifford, General Manager of the North Borneo Railway, inspected the track on 8.3.51. The purchase of old K.C.R. rails and bridge materials for the above railway is under negotiation.

Workshops:—Repairs to engine No. 21 damaged in the accident of 24th January were completed during the month. The tender, however, has been delayed owing to a shortage of materials. Six coaches and three wagons received light repairs during the period in question.

ing, 2 knitting, 1 weaving, 1 garment, 1 perfumery, 1 camphor wood box, 1 nail and 1 aluminium.

Industrial Accidents

In March 55 cases of industrial accidents occurred involving 59 persons of which 7 were fatal (33 being in registered factories). Causes were: machinery 13 (12); transport 2 (2); explosions 6 (3); hot or corrosive substances 1 (1); falls of persons 13, 1 fatal (7); falling objects 11 (3); falls of earth 7, 6 fatal (1); handling without machinery 2 (2); miscellaneous 4 (2).

HONGKONG'S TRADE WITH EAST ASIAN COUNTRIES

For the first two months of 1951

	Imports				Exports			
	February	% of Total Trade	Total Jan.-Feb.	% of Total Trade	February	% of Total Trade	Total Jan.-Feb.	% of Total Trade
	\$		\$		\$		\$	
Burma	89,849	.03	1,341,361	.17	862,642	.19	1,507,145	.15
Ceylon	41,605	.01	405,365	.05	1,200,880	.27	2,018,154	.20
Indochina ..	1,775,114	.51	4,049,340	.51	1,380,292	.31	2,941,562	.30
India and								
Pakistan ..	23,289,505	6.72	58,567,881	7.33	26,516,135	5.92	39,945,956	4.03
Malaya	42,889,475	12.25	106,279,410	13.31	84,361,750	18.33	195,577,512	19.72
Philippines ..	1,732,452	.50	2,241,870	.28	4,713,534	1.05	12,812,543	1.29
Thailand	11,940,467	3.45	19,145,016	2.40	3,730,132	.83	15,597,374	1.57
Indonesia ..	8,007,055	2.31	18,139,878	2.27	22,592,084	5.04	47,781,372	4.82
Total S. E. Asia Region	89,215,523	25.78	210,170,121	26.32	145,357,449	32.44	318,181,618	32.03
N. China (incl. Manchuria) .	16,995,901	4.91	46,059,194	5.77	62,908,748	14.04	124,282,464	12.53
Middle China	8,471,233	2.45	22,971,321	2.88	15,367,742	3.43	36,912,264	3.72
South China	32,540,905	9.41	66,475,800	8.32	110,158,883	24.58	276,309,515	27.85
North Korea	—	—	—	—	—	—	—	—
South Korea	184,725	.05	396,083	.05	79,229	.02	79,229	.01
Total N. E. Asia Region	58,192,767	16.82	136,902,398	17.02	188,514,602	42.07	487,588,472	44.11
Total Trade of Hongkong .	345,942,508	100.00	798,531,867	100.00	448,132,761	100.00	991,928,918	100.00

HONGKONG ECONOMIC REPORTS

New Building: In February cost of new building amounted to \$5,161,726, of which \$5,006,650 for building and \$155,076 for site work. A total of 76 new constructions have been completed, viz. 47 houses and flats, 13 factories & godowns, 5 shop and offices, 11 other accommodation.

The boom in building has slightly subsided but the number of new plans and work in hand, as indicated by posters all over town, are further proof for the continued prosperity of the community.

Production figures for February 1951: Cement 7363 metric tons (for Jan.-Feb. 12,429 t.).

Electricity

	February	Total Jan.-Feb.
	Kw. Hrs.	Kw. Hrs.
Lighting	8,186,336	16,681,709
Power	9,899,918	20,602,343
Traction	977,724	2,039,321
Bulk Supply Consumers	7,486,054	16,113,839
Public Lighting	150,142	299,587
Total	26,700,174	55,736,799

Gas

	February	Total Jan.-Feb.
	Cubic feet	Cubic feet
Domestic	39,484,000	82,693,100
Industrial	1,577,500	4,061,503
Public Lighting	2,705,100	5,700,109
Total	43,766,600	92,454,700

Marketing of vegetables and fish: Vegetables at the Govt. wholesale market in Feb. 4222 tons, for Jan./Feb. 8565 t. Fish in Feb. 1989 t., for Jan./Feb. 4975 t.

Animals slaughtered: In Feb. 43,398, of which 41,933 swine; for Jan./Feb. 99,489, of which 95,322 swine, 2975 cattle, 1192 sheep & goats.

Coal stocks: At end of Feb. 24,593 tons, of which 19,214 bit. lump, 3159 gas, 1671 coke, 554 bit. dust.

VEHICULAR TRAFFIC

	New Licences, etc. Feb.	Cancelled February	Total 26th February
Vehicles:			
Trams	—	—	112
Motor Cycles	3	20	1,000
Private Cars	113	120	8,799
Taxis	4	4	344
Public Hire Cars ..	4	4	288
Motor Buses	—	—	397
Public Commercial			
Lorries	12	12	1,404
Private Commercial			
Lorries	8	24	1,087
Government Cars &			
Lorries	8	—	687
Rickshaws (Private)	—	—	85
" (Public)	—	—	853
Tricycle (Goods) ..	4	—	805
Chairs	—	—	27
Hand Trucks	—	—	■
Trailers	—	—	10
Drivers:			
Motor Drivers'			
Licences	213	—	29,640
Learners' Licences	292	—	91,808
Driving Tests	382	—	45,990
Rickshaw &			
Tricycle Drivers	111	—	3,316
Hand Truck			
Drivers	—	—	14

Kowloon-Canton Railway (Br. Section)

	February No.	Total Jan.-Feb. No.
Passengers:		
Upward	249,309	539,263
Downward	248,155	538,233
Military Tickets ..	10,220	19,572
Goods:		
	Kgs.	Kgs.
Upward	14,652,130	39,702,440
Downward	8,057,540	14,774,640
Revenue:		
	H.K.\$	H.K.\$
Passengers	517,760.60	1,208,438.90
Goods	145,423.95	356,747.70
Miscellaneous Receipts	63,390.95	134,524.54

HONGKONG AVIATION RETURNS FOR THE FIRST QUARTER OF 1951

In the Hongkong aviation returns covering the first quarter of 1951 a particularly noticeable feature has been the growth in the despatch of mail by air.

Total mail carried during the quarter amounted to 162,581 kgs. or a monthly average of 54,194 kgs.; this was an increase of over 90% above the monthly average of 28,418 kgs. for 1949,—which in other respects was a record year,—and of nearly the same percentage above 1950, the monthly average for which was 28,570 kgs.

Freight carried during the three months totalled 722.9 metric tons, an average of 240.9 metric tons per month and about 53% lower than the monthly average for 1949 of 510.3 metric tons, although 35% above that for 1950 of 117.6 metric tons.

Passengers travelling during the quarter numbered 18,581 an average of 6,194 a month, about 75% less than the monthly average of 25,558 for 1949, but slightly over the average for 1950 of 6,174 per month.

Aircraft in and out totalled 1,336 or an average of 445 per month as compared with a monthly average of 2,119.5 for 1949 and of 446 for 1950.

B.O.A.C. Summer Schedule

With the introduction of summer time, the B.O.A.C. summer schedule came into effect.

The Hongkong/U.K. services now leave Hongkong on Tuesdays, Thursdays and Saturdays. The Thursday departure transits Delhi and omits the stop at Rangoon.

Departures for Tokyo are on Sundays, Tuesdays and Thursdays and for Singapore on Wednesdays and Saturdays.

The services from London to Hongkong leave London on Sundays, Wednesdays and Fridays at 10 p.m.; night-stopping at Rangoon they arrive in Hongkong on Wednesdays, Saturdays and Mondays.

Connections for the U.K. via Singapore, as before, are made with the Hongkong/Singapore services leaving Hongkong on Wednesdays and Saturdays, with departures from Singapore for Colombo and parts west thereof on Thursdays and Sundays.

B.O.A.C. Traffic in 1950

For the calendar year 1950 operating and traffic statistics show that the revenue passenger miles flown by the British Overseas Airways Corporation totalled 542 million miles compared with 410 million in 1949, an increase of 32%.

The number of passengers carried rose to 184,000 as against 151,000 in 1949, an increase of over 22%. Commercial freight carried increased by 18% from 4,000 short tons in 1949 to 4,700 short tons in 1950. Mail carried in 1950 showed a gain of 6% and excess baggage an increase of 7% over 1949. Total revenue load ton miles amounted to 87 million, or an increase of 24%.

Qantas Empire Airways

As from April 7 the Qantas weekly Skymaster service from Hongkong to Sydney via Labuan has reverted to the summer schedule, departing Hongkong at 8 a.m. on Saturday and arriving in Sydney at 3.15 p.m. on Sunday.

Hongkong Aviation Returns

for March 1951

	CIVIL AIRCRAFT		PASSENGERS		MAIL (Kilograms)		FREIGHT (Kilograms)	
	Arrivals	Departures	In	Out	In	Out	In	Out
Monthly averages for 1948	595	—	9,592	9,382	13,726½	13,649½	42,920	100,986
Monthly averages for 1949	1,062	1,057.5	12,246	13,312	13,842	14,576	237,690	272,656
Monthly averages for 1950	223	223	2,722	3,452	12,767	15,803	65,912	111,645
1951:								
January	246	248	2,715	3,789	23,342	26,701	119,113	123,201
February	205	212	2,436	3,197	25,574	26,468	112,559	102,997
March	213	212	2,632	3,812	26,501	33,995	152,988	112,051
Totals	664	672	7,783	10,798	75,417	87,164	384,660	338,249

January to March 1951:

Total aircraft in and out: 1,336; total passengers: 18,581; total mail: 162,581 kgs.; total freight: 722.9 metric tons.

Hongkong Aviation Report for March 1951

	Arrivals			Departures		
	Passengers	Mails (Kgs.)	Freight (Kgs.)	Passengers	Mail (Kgs.)	Freight (Kgs.)
United Kingdom	82	9,723	20,941	281	6,740	7,542
Europe	22	296	30,725	88	156	2,141
Middle East	81	197	2,639	105	1,307	1,900
Calcutta	54	378	2,293	84	567	287
Rangoon	19	71	47	120	266	6,533
Singapore	247	1,921	14,413	276	5,428	21,448
Bangkok	477	579	33,077	566	829	9,328
Indochina	506	445	12,662	330	599	5,602
Macao	—	—	—	1	—	—
Philippines	451	429	9,098	539	1,331	5,632
Japan	347	8,008	16,616	499	11,011	12,643
U. S. A.	22	8	1,379	206	1,412	1,463
Australia	71	2,907	2,201	123	2,919	2,749
China	224	1,370	6,794	299	984	33,901
Honolulu	14	—	1	88	73	473
Canada	15	164	102	207	373	409
	2,632	26,501	152,988	3,812	33,995	112,051

Total aircraft arriving: 213.

Total aircraft departing: 212.

Hongkong Shipping Returns for March 1951

	Ocean Steamers Tonnage		River Steamers Tonnage		Ocean Passengers		River Passengers	
	In	Out	In	Out	In	Out	In	Out
Monthly averages 1948	659,582	651,394	122,834	123,338	23,583	19,547	37,529	29,769
" " 1949	824,239	828,696	163,345	168,147	21,952	21,564	48,496	52,620
" " 1950	763,702	769,097	207,847	207,465	4,887	9,066	63,887	65,333
1951:								
January	699,726	694,844	170,240	168,861	3,372	6,257	50,812	54,412
February	630,481	683,442	147,376	146,716	3,782	4,468	45,304	44,297
March	654,630	661,010	169,439	169,648	2,889	5,456	34,512	35,796
Totals	1,984,837	2,039,296	487,055	485,225	10,043	16,181	130,628	134,505

Total ocean steamer tonnage for Jan.-March 1951: 4,024,133 tons; total river tonnage: 972,280 tons; grand total: 4,996,413 tons.

Total ocean passengers: 26,224; total river passengers: 265,133; grand total 291,357.

Hongkong Shipping Report for March 1951

Ocean Steamers

Departures

Arrivals

Flag	No.	Tonnage	Cargo	Passengers	No.	Tonnage	Cargo	Passengers
British	122	292,256	129,974	2,365	119	281,052	77,570	3,251
American	15	76,308	5,132	120	16	81,626	10,169	384
Chinese	20	18,809	13,342	1	17	17,203	7,910	—
Danish	12	43,080	25,328	23	12	37,686	7,386	25
Dutch	8	41,427	7,799	66	12	57,979	18,297	1,300
French	3	11,042	4,412	2	7	11,042	5,150	18
Greek	7	8,623	7,076	2	7	8,623	1,400	—
Norwegian	31	65,088	33,039	295	30	65,448	23,137	451
Panamanian	27	62,290	9,776	3	23	55,033	23,396	5
Philippine	9	9,684	3,073	11	9	9,684	2,447	13
Portuguese	1	111	—	—	2	222	10	—
Swedish	8	21,642	13,071	3	8	21,642	3,181	9
U.S.S.R.	3	3,770	—	3	3	3,770	—	—

Total Foreign	144	362,374	115,048	533	142	369,958	102,483	2,205
Total	266	654,630	245,022	2,889	261	661,010	180,053	5,456

Departures

Arrivals

Flag	No.	Tonnage	Cargo	Passengers	No.	Tonnage	Cargo	Passengers
British	170	167,152	3,085	34,512	189	167,361	4,660	35,796
Chinese	11	1,693	826	—	11	1,693	1,013	—
Portuguese	2	594	53	2	2	594	63	—
Total Foreign	13	2,287	879	—	13	2,287	1,076	—
Total	183	169,439	3,964	34,512	182	169,648	5,736	35,796

HONGKONG COMMERCIAL CARGO

For March 1951

	Ocean Vessels	River Vessels
	Discharged	Loaded
January	300,603	174,911
February	248,374½	199,610
March	245,022	180,053
Totals	793,999½	554,574

Total ocean cargo discharged and loaded Jan.-March 1951: 1,348,573½ tons; total river cargo: 32,829 tons; grand total: 1,381,402½ tons.

Monthly averages for 1947, 1948 1949 and 1950 (in tons):—
 Ocean cargo in 1947 1948 1949 1950
 " out 187,552 193,416 272,418 320,079
 River cargo in 71,047 87,849 128,034 185,732
 " out 7,483 9,042 8,291 7,893
 " Highest and lowest ocean cargo figures for 1948, 1949 and 1950 (in tons):
 1948 1949 1950
 Highest discharged 241,574 in Mar. 377,034 in Dec. 443,678 in Jan.
 " loaded 122,684 in Dec. 158,697 in Sept. 229,730 in Dec.
 Lowest discharged 138,922 in Nov. 179,805 in Feb. 282,428 in Aug.
 " loaded 57,988 in Oct. 76,461 in Feb. 123,112 in Feb.

HONGKONG JUNKS & LAUNCHES IN MARCH 1951

JUNKS

	No. of Vessels	Reg. Tonnage	Dead Weight		No. of Passengers
			Inward	Outward	
1951 March	1,082	140,507	147,378	42,106	15,515
February	974	1,090	126,202	119,656	85,950
	+ 68	+ 82	+ 14,305	+ 27,822	+ 6,158
LAUNCHES					
1951 March	290	306	6,503	6,487	1,009
February	244	242	6,073	5,087	851
	+ 46	+ 64	+ 1,430	+ 1,350	+ 638

Total Vessels entered & cleared	February 1951	2,460	255,918	N.R.	Tons.
" "	March 1951	2,720	300,825		
Total Cargo discharged & loaded	February 1951	46,159		D.W.	Tons
" "	March 1951	59,559			
		+ 13,400			

January to March 1951:
 Total Vessels entered & cleared: 8,508 of 885,267 N.R. Tons.
 Total Cargo discharged & loaded: 186,005 D.W. Tons.

Local Trade Conducted by Junks & Launches of 60 registered tons & under

JUNKS

	No. of Vessels	Reg. Tonnage	Dead Weight		No. of Passengers
			Inward	Outward	
1951 March	1,241	1,228	45,873	45,915	21,873
February	1,238	1,238	49,563	56,717	26,703
	+ 8	- 10	- 3,590	- 10,802	- 4,830
LAUNCHES					
1951 March	870	368	8,733	5,659	94
February	889	891	11,483	11,546	194
	- 19	- 23	- 2,750	- 2,907	- 100
Total Vessels entered & cleared	February 1951	3,251	129,329	N.R.	Tons.
" "	March 1951	3,207	105,280		
Total Cargo discharged & loaded	February 1951	44	20,049		
" "	March 1951	31,288		D.W.	Tons.
		28,169			
		- 3,114			

January to March 1951:
 Total Vessels entered & cleared: 10,098 of 358,424 N.R. Tons
 Total Cargo discharged & loaded: 92,874 D.W. Tons.

HONGKONG IMPORTS & EXPORTS OF SELECTED COMMODITIES

FOR THE MONTH OF FEBRUARY, 1951

WOLFRAM

Countries	Imports		Exports	
	Quantity Piculs	Value \$	Quantity Piculs	Value \$
United Kingdom	—	—	194	135,604
Macao	4	5,000	—	—
U. S. A.	—	—	112	135,625
Total	4	5,000	306	271,229

ANTIMONY

U. S. A.	—	—	34	6,211
Total	—	—	34	6,211

TIN INGOTS OF CHINESE ORIGIN

China, Middle	—	—	34	35,600
Total	—	—	34	35,600

TIN INGOTS, NOT ELSEWHERE STATED

Malaya (Br.)	17	21,500	—	—
Total	17	21,500	—	—

TINNED PLATES (tinned sheets)

United Kingdom	4,521	427,222	—	—
Malaya (Br.)	2,557	204,560	—	—
China, South	—	—	34	7,200
Macao	12	720	—	—
Total	7,090	632,502	34	7,200

ANISEED OIL

United Kingdom	—	—	152	192,585
Australia	—	—	16	23,074
China, South	484	554,689	—	—
France	—	—	64	90,875
Holland	—	—	16	22,680
Italy	—	—	3	3,180
Japan	—	—	11	19,691
Total	484	554,689	262	352,085

CASSIA OIL

United Kingdom	—	—	16	48,825
Belgium	—	—	3	10,895
China, South	90	260,780	—	—
Holland	—	—	6	13,797
Japan	—	—	3	6,531
U. S. A.	—	—	63	124,425
Total	90	260,780	91	203,973

COCO-NUT (COPRA) OIL, REFINED

Malaya (Br.)	1,898	243,211	—	—
North Borneo	—	—	132	20,250
China, Middle	—	—	1,865	335,966
Macao	—	—	68	12,160
Thailand	1,585	269,250	—	—
Total	2,983	512,461	2,065	368,376

LINSEED OIL

Countries	Imports		Exports	
	Quantity Piculs	Value \$	Quantity Piculs	Value \$
United Kingdom	547	94,887	—	—
India	145	23,286	—	—
China, South	—	—	38	7,500
Macao	—	—	15	2,830
Thailand	—	—	22	6,435
Total	692	118,173	75	16,765

GROUNDNUT (PEANUT) OIL

Australia	—	—	11	2,268
Malaya (Br.)	—	—	614	113,440
North Borneo	—	—	53	10,048
China, North	3,528	632,470	—	—
China, Middle	204	37,650	90	17,850
China, South	—	—	66	11,296
Holland	—	—	165	32,573
Macao	3	770	1,476	241,582
Indonesia	165	26,400	—	—
Thailand	2,155	392,184	—	—
Portuguese East Africa	2,828	354,294	—	—
Total	8,883	1,448,718	2,475	429,057

SESAMUM OIL

Australia	—	—	4	709
Canada	—	—	39	10,038
Malaya (Br.)	—	—	84	24,490
New Zealand	—	—	7	1,441
West Indies	—	—	1	164
Macao	—	—	1	180
Indonesia	—	—	1	202
Philippines	—	—	2	270
U. S. A.	—	—	88	27,369
Total	—	—	227	64,869

SOYA BEAN OIL

Holland	—	—	924	138,600
U. S. A.	25	5,335	—	—
Total	25	5,335	924	138,600

TEA SEED OIL

United Kingdom	—	—	1,414	245,344
China, South	6,611	1,397,756	—	—
Holland	—	—	51	13,668
Total	6,611	1,397,756	1,465	258,952

WOOD OIL IN DRUMS

United Kingdom	—	—	2,520	632,100
Australia	—	—	1,632	414,040
Canada	—	—	300	74,240
India	—	—	840	88,352
Malaya (Br.)	—	—	371	100,295
New Zealand	—	—	1,428	341,375
North Borneo	—	—	17	4,204
China, North	3,989	681,000	—	—
China, South	52,717	10,361,290	—	—
Denmark	—	—	84	21,377
France	—	—	588	138,880
Germany	—	—	1,413	327,640
Holland	—	—	749	159,328
Italy	—	—	956	221,952
Japan	—	—	1,680	443,100
Macao	—	—	23	5,260
Norway	—	—	244	50,523
Sweden	—	—	405	80,099
Total	56,706	11,042,290	12,750	3,102,757

TRADE MARKS & THEIR PROTECTION

In this Colony almost everything is sold under a 'Chop' or trade mark, yet few traders realise exactly what a trade mark is, or what protection the Government is prepared to give them in respect of their marks. A trade mark is a word or device used to indicate that certain goods are those of the proprietor of the mark. They may be his goods by virtue of manufacture, selection, certification of offering for sale. A trade mark is used in business to distinguish the goods of a certain person or firm, from those of others.

It has often been stated that Trade Mark and Patent Laws are the most complicated and least understood of all legislation. In British law great care is taken that in giving to one person a monopoly no other person shall in any way be injured, and that the common rights of the general public are not infringed. Such a monopoly once granted must be guarded from infringement by others. If anybody copies the mark, not only does he deceive the public but also he attracts business from the real owners to himself and by marketing an inferior article he may seriously damage the goodwill of the original owner.

There are on the market thousands of articles well known to everyone, manufactured by firms or persons whose names are unknown. Hundreds of these marks are almost household words, some of them throughout the world. Nobody wonders who it is that makes such articles because everybody knows the qualities of the articles concerned, and that if you buy them in Hongkong one day and London on another you will get good articles, guaranteed by the owners of the trade marks. The goodwill of these businesses has been built upon their trade marks and we can understand why many marks are worth millions of pounds or dollars. A trader or a manufacturer who wishes to increase his business can publicize his goods by affixing to them a good trade mark which can also be used as a central theme or object for advertising.

A mark, then is not always a registrable trade mark. It must not be descriptive, for registration by one person would deny its use to others. If the word 'pure' for instance was registered then another trade would be denied the use of that useful descriptive word in the normal

honest course of his business. For the reason stated, initials, letters of the alphabet and figures are not *prima facie* registrable trade marks. It is surprising how many traders in the Colony adopt this kind of mark. Hundreds of applications have been received to register such marks as 555, 999, K.K. and A.I.. There must be at least one trader in every business street in Hongkong selling his goods under such a mark.

A person may not register the Crown for that is the property of His Majesty the King, and may be used only by duly authorised persons. The flags of countries or states may not be used. If the British flag, for example, is used in a trade mark, buyers will naturally think that the goods are made in the U.K. and no one person can be given the monopoly of such a device. If it is used upon goods not made in Great Britain, then its use is deceptive. For a similar reason no one person may (as a rule) register a geographical name. If an article is made in Hongkong then the manufacturer, whoever he may be, is entitled to say so. Similarly, ordinary names are not registrable, for their use may lead to confusion. There are many Wongs and Lees in Hongkong—there are thousands of Smiths in England.

The manufacturer should take into consideration the type of customers amongst whom his goods will circulate. Many Chinese unfortunately are illiterate and we have customers of many diverse nationalities speaking and reading different languages. The mark therefore should be a simple one, for not only must the customer understand the mark, but he must also be able to express it in words, so that he may be able to ask the shop keeper for it by a name. Thus a picture of a lion can be asked for by the words 'lion brand' or the Chinese equivalent. All know a lion when they see one, but if the mark consists of a picture of let us say a European flower unknown to the local people, confusion is bound to arise. So a portrait—often used by the Chinese as a mark for medicines—is neither a good nor a registrable trade mark for however dissimilar these portraits may be they are still asked for by the Chinese, equivalent of 'chop photo.'

The object of marking merchandise is to do so with a mark which will not be confused with the mark of another person. There are many

things to be seen around town which lend themselves to pictorial representation and which would serve as excellent trade marks.

If it is agreed that a trader or manufacturer should build up his business upon a good trade mark, what should he do to obtain registration? Firstly, he should choose his mark and make sure it is registrable. Official advice upon the registrability of a mark is given by the Registrar. Having decided upon a good mark, the applicant should then go to the Trade Marks Office, and can search amongst all the trade marks already registered to see whether his mark is in fact original. It will not take long for the marks are classified and indexed. This preliminary search may save the applicant money.

Having lodged his application—and in doing so he is assured of all the help he may need from the staff of the Registry—he awaits the Registrar's search and examination. If the Registrar's report is unfavourable the applicant may ask for a hearing and attend the office to argue his case without further fee. Should the decision be against him, he may, if he so desires, appeal to the Court. If the application is accepted the mark is advertised in the Government Gazette. During the next two months it is open to opposition by any person who has a complaint. It should not be opposed lightly, however, for the Registrar has power to award such costs as he thinks fit in any opposition proceedings. At the end of this period of two months, or at the end of unsuccessful opposition proceedings, the mark is entered in the Register. The first period of registration is for seven years, but the registration may be renewed at the end of this term for further periods of fourteen years.

What advantages does a trader get by registering his trade mark? A trade mark when registered is property, the same as a house or any other property. The courts will uphold the owners' claim to that property against any other person. He is given the monopoly of the use of that mark upon certain goods and if any other person infringes it, he can go to court, produce the Registrar's Certificate and secure damages. If he does not register his mark, he is debarred from taking any action for infringement or from claiming damages, but has to rely on an action for passing off, fraud or other action in law. If he does this the Court will be likely to ask three leading questions:—(1) prove that this is a good mark—a mark not common to the trade, one

WOOD OIL IN BULK

Countries	Imports		Exports	
	Quantity Piculs	Value \$	Quantity Piculs	Value \$
United Kingdom	—	—	20,259	4,457,900
France	—	—	2,890	604,064
Holland	—	—	23,083	4,373,920
Switzerland	—	—	4,799	1,051,247
Total	—	—	51,031	10,487,131

OTHER OILS FROM SEEDS, NUTS AND KERNELS

Canada	51	9,312	—	—
India	120	18,800	—	—
China, Middle	—	—	120	24,600
Macao	—	—	88	8,440
Thailand	78	12,500	—	—
U. S. A.	60	15,966	—	—
Total	309	56,578	158	28,040

BRISTLES

Countries	Imports		Exports	
	Quantity Piculs	Value \$	Quantity Piculs	Value \$
United Kingdom	—	—	15	72,226
New Zealand	—	—	3	83,600
France	—	—	27	127,706
Japan	—	—	16	90,000
Korea, South	15	30,000	—	—
U. S. A.	—	—	100	500,839
Total	15	30,000	161	824,421

CRUDE RUBBER AND SUBSTITUTES (gutta-percha, balata, etc.)

Malaya (Br.)	69,064	31,498,757	156	59,756
North Borneo	1,214	358,638	—	—
China, North	—	—	14,133	7,491,665
China, Middle	—	—	637	344,020
China, South	—	—	105,741	54,610,353
Macao	—	—	106	46,648
Indonesia	426	200,741	—	—
Total	70,704	32,058,186	120,783	62,552,442

which is not descriptive or deceptive, one which in short has the qualities of a registrable mark; (2) prove your right to the mark; (3) prove that there has in fact been deception.

The fact that the mark is registered is in itself proof that the mark is the property of one man and that it is a good mark. This latter point is of great importance. Most of the cases in English law have been fought on this point and together with patent cases, they fill sixty large volumes. The proprietor of a registered

trade mark may describe it as such but if he has not in fact registered this mark he may not so describe it under penalty of a heavy fine.

It is the duty of the Government to defend the public from fraud and deception and the Commercial Crimes Branch of the Police will interest themselves in your trade mark. They will do so not so much perhaps on your behalf, as on behalf of the general public; but the Merchandise Marks Ordinance gives adequate help only to trade marks which have been registered.

SHANGHAI DOCKYARDS, LIMITED

The annual general meeting of Shanghai Dockyards, Ltd., was held in Shanghai on Friday 22. Attending the meeting were: Mr. H. H. Lennox, Chairman; Messrs. W. J. Hawkings, R. S. Larkin, W. Russell, C. A. Wagner, Directors; Mr. R. C. Letchford, Manager; Mr. G. E. Townley, Secretary; Mr. A. Ricketts of Messrs. Platt, Hansons & Co., legal adviser to the company; Mr. A. R. Forsyth of Messrs. Lowe, Bingham & Thomsons, auditors to the company; and shareholders. The gathering represented 62,982 shares.

The Chairman said: In the course of my address at the annual general Meeting last year, I said that I was hesitant to prophesy regarding the immediate future of the Company because of the uncertainties which then existed. Unfortunately our business continued to be far below normal and it is with a feeling of considerable regret that I have to place before shareholders a statement of account which shows a serious loss in the working of the company for the second year in succession. With a company like ours, which is to a great extent dependent for revenue on the comings and goings of ships to Shanghai and on the work which is occasioned on them whilst in this port, it will probably come as no surprise to you that we have again sustained a loss.

During the year under review only a very small number of foreign-owned ocean going ships came to our port and for long periods there were none at all. The conditions which brought about this unfortunate state of affair are known to you all and it is unnecessary for me to go over this ground here today.

Being faced with the almost complete absence of our normal source of revenue from foreign shipping, the Management have done their utmost to find other means of employing labour and machinery to the best possible advantage and their efforts have met with some measure of success, otherwise the loss shown in the accounts would have been greater than it is.

During the year we drydocked 81 vessels and accommodated 12 small craft on our slipways. In most cases the repairs undertaken were not of an extensive nature.

Particular efforts were made to secure work on land and it is pleasing to report that this side of our business has been improved considerably.

At our annual general meetings in the last few years the difficulties created by inflationary currencies have been commented on, but on this occasion we have no complaint to make on this score. The manner in which currency and commodity prices have been stabilised by the People's Government is noteworthy.

In general our Yangtzepoo and International Dockyards have been maintained in good working condition though the state of the Company's business has caused us to keep maintenance charges down to a minimum. When our business improves, however, it will be necessary to undertake an appreciable amount of work on our properties and expensive repairs will have to be undertaken on our Yangtzepoo Dock and International Dock frontages.

Labour & Management

It is pleasing to be able to report that a good basis of mutual understanding and cooperation has been established between Labour and Management and negotiations during the year have proceeded smoothly. The Workers Labour Union was formed at an inauguration ceremony held on February 1 1950, and subsequently a Labour/Capital Consultative Committee was established. It is of the utmost importance that mutual confidence should exist between Labour and Management and that difficulties can be overcome and production increased.

It gives me pleasure to remark on the consistently good work which has been done by our Chinese and foreign staff and to congratulate them on their bearing during the hazardous period which was passed through in the early part of 1950. I am glad to be able to tell you that during this period our properties suffered only slight damage.

In May 1950 our Director and Manager, Mr. J. A. Bonnyman, retired. He joined the Shanghai Dock & Engineering Company in 1931 and had been Chief Manager of our Company since its inception. I would like to place on record our deep sense of the value of the services rendered by Mr. Bonnyman to the two Companies over a period of 19 years. He was a man of extremely peasant personality and great sagacity and he will be missed. Mr. R. C. Letchford, who has been Assistant Manager since 1947, has been appointed Manager, and your Directors have every confidence that he will fill this onerous post satisfactorily. Mr. D. MacCallum has been appointed Assistant Manager.

Profit & Loss Account

If you will turn to the Accounts, which are in front of you, you will see that the Profit & Loss Account for the year to September 30, 1950 shows a loss of HK\$984,114.08 which compares with a loss in the previous year of HK\$1,317,732.58. As I have remarked, the principal cause of this unfortunate result is the greatly restricted use of the port of Shanghai by foreign shipping during the period under review and I might also remark that our taxes are now considerably higher than they were in previous years. For the year under review our taxes amounted to HK\$387,584, which is largely accounted for by House Tax and Land Tax. Your Company has considerable property in Pootung, the larger portion of which is not being used at the present time. Some measure of relief was granted by the Authorities in connection with the taxes on this property, but it still remains a heavy expense. The other items on the Profit & Loss Account I think require no explanation.

The Balance Sheet follows the usual lines and there is little in it that calls for particular comment. You will note that the balance of Profit & Loss Account has been reduced by the loss sustained, to a figure of HK\$224,108.86. Again, for the second year in succession, I regret that under all the circumstances your Directors have not considered it possible to recommend a dividend to shareholders. I feel sure this situation will be understood.

The Future

As regards the future, I remarked that our major interest is in the coming and going of ships to this port, and when conditions in this regard improve we are well and efficiently equipped with men and machines to regain our previous position. Unfortunately, during the five months of this fiscal year which have elapsed, there has been no improvement in the shipping situation and no sign of improvement can be seen at the present time. The uncertainties of the international situation I am in no position to assess, but if no untoward happening occurs I see no reason why we should not have confidence in the future of the Company when the present difficulties with regard to shipping have been surmounted.

Before dealing with the Resolutions to be placed before this meeting, I would like to explain that since the Directors' report was written, Mr. B. F. Flanagan has resigned from the Board because of his departure from Shanghai. Mr. R. S. Larkin, a former Director, has rejoined the Board; in accordance with Article 96 of the Articles of Association he will require to be re-elected today."

Mr. L. Soyka raised a number of queries to which the chairman responded suitably.

The East Asiatic Company, Ltd.

We regret that some inaccuracies appeared in the Profit & Loss Account of The East Asiatic Company, Ltd., as published in the Review of April 12th (No. 15, Page 461). To rectify this we give below a reprint of the Profit & Loss Account for the year ended 31st December, 1950.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1950

	Kr.	Ore	Kr.	Ore
Freight and Passage Money etc.			154,830,778	77
Trading Profits			9,074,857	02
Branches' Profits			41,211,827	17
Dividends on Investments in other Companies			2,707,762	88
Profit on Foreign Exchange			92,570	81
			207,917,796	15
Less: Interest			970,598	28
			206,947,197	92
Ships' Expenses				
Oil	17,466,829	16		
Wages and Provisions	17,251,694	16		
Canal and Harbour Dues	11,291,751	91		
Pilotage and Towing	3,568,281	93		
Loading and Discharging	31,180,845	83		
Maintenance and Repairs	12,163,198	53		
Hire of Outside Tonnage	13,953,458	22		
Agents' Commissions	10,113,510	27		
Insurance (including allocation to Insurance Fund Kr. 238,649.15)	8,176,734	58		
Transshipment-Freight, Conference Rebates and Claims	7,397,828	54		
Telegrams, Advertisements and Sundries	3,410,075	55	135,924,153	68
			71,023,044	24
Administration Expenses, Head Office and Branches				
Salaries etc. to Managing Directors and Employees	Kr.19,796,061.99			
Rent, Postages, Books, Stationery etc.	4,261,154.89			
Sundries	5,315,670.68			
Steam Launches at Branches and various expenses in connection with the ships	1,484,680.10	80,857,517	16	
Taxes				
Allocation for Taxes transferred from 1949	Kr. 7,272,900.65			
Allocated for 1950	7,195,567.53	7,195,567	53	
	Kr.14,468,468.18			
Utilised in 1950:				
At Head Office	Kr. 4,044,679.34			
Branches	4,195,567.53	8,240,246.87		
Transferred to 1951	Kr. 6,228,221.31		38,053,084	69
			32,969,959	55
Depreciation				
On Vessels	4,283,219	00		
Extraordinary Depreciation on Ships in conformity with Income Tax Regulations	3,978,849	95		
Extraordinary Depreciation on Ships under Construction in conformity with Income Tax Regulations	8,964,650	00		
On Buildings, Furniture and Fittings etc. at Head Office and Branches (including extraordinary depreciation Kr. 2,109,516.83)	5,007,748	28	22,229,467	23
Dividend to Shareholders			10,740,482	32
5 per cent on Kr. 50,000,000.00			2,500,000	00
			8,240,492	32
Share of Profits				
To Board	125,000	00		
To Managing Directors	412,024	62		
To Employees	1,236,073	85	1,773,098	47
			6,467,393	85
CONTRIBUTION TO THE COMPANY'S PENSION FUND				
ALLOCATION TO EXTRA RESERVE FUND	1,500,000	00		
	2,000,000	00	3,500,000	00
			2,967,393	85
Additional Dividend to Shareholders				
5 per cent on Kr. 50,000,000.00			2,500,000	00
			467,393	85
Balance brought forward from last year			5,732,704	21
BALANCE CARRIED FORWARD TO NEXT YEAR			6,200,098	06

Hongkong & Kowloon Wharf & Godown Co., Ltd.

The annual meeting of the Company was held here on April 11, when the Chairman (Hon. D. F. Landale) reported as follows on the business in the year 1950 of this warehousing enterprise, the largest in the Colony.

The financial results for 1950 constitute a record in the history of the Company. This result has been achieved without any increase whatever in the scale of charges. Despite considerable increases in labour and operating costs, storage rates today remain at the level introduced in 1945, while no alteration has been made in cargo handling charges since December, 1946.

In the course of the year the Company handled 923 vessels which discharged a total of 1,010,157 tons of cargo, an increase of 44 ships and 136,667 tons over the figures for 1949. As a result of the American Embargo, the number of vessels handled during the first months of this year has declined, but tonnages so far have remained at a satisfactory level.

The congestion in storage space which prevailed throughout the Colony during 1949 was still apparent at the beginning of the year under review, but in May it was possible to lift the restrictions imposed on import of certain types of cargo. The position further improved during June and July, and was eased considerably in August when Government completed construction of their own godowns for the storage of rice. By September, turn round of cargo was proceeding satisfactorily, and there has been no serious congestion since.

Launch and lighter fleet was again well employed and has been kept in good condition. Extensive repairs have been necessary to some of the older lighters, and this year it will be necessary to embark on a planned replacement programme to maintain the condition of the fleet and increase the number of craft. Four new lighters were added during the past year, and at present the fleet consists of 77 lighters and two chartered lighters, with a total capacity of just under 8,000 tons, against pre-war strength of 120 lighters with a capacity of just under 9,000 tons.

Rehabilitation work progressed satisfactorily during the year. A further godown with a capacity of 7,000 tons was erected in Laichikok. No. 4 Wharf was completed and the first ship was berthed at this Wharf on May 21 after completion of the work of raising the Praya level as an added precaution against typhoon seas. The availability of this Wharf permitted closure of No. 5 and proceed with the repairs and reconstruction necessitated by bomb damage and the further incidental damage occasioned by the heavy equipment of the relieving forces in 1945. The total repairs are being carried out in planned annual stages, and the first stage is now almost completed.

In the course of the year the Company made further additions to mechanical equipment, which is all in first class condition and has operated satisfactorily throughout the year.

The second block of modern flats for Chinese Staff, was completed and occupied in July, and with the acquisition of further quarters for European Staff, all Staff are now satisfactorily accommodated.

Accounts: the Balance of Working Account exceeds that of 1949 by \$742,000, an increase of nearly 20 per cent. The Balance carried down to the Appropriation Account is \$3,250,013 which is \$482,063 up on the 1949 figure; the total available for appropriation is \$3,696,999, which account was allocated as follows: dividend of \$12 per share, free of tax \$2,160,000; transfer to General Reserve of \$500,000; carried forward \$522,967.

China Provident Loan and Mortgage Co., Ltd.

50TH ANNUAL MEETING

At the 50th annual meeting of the China Provident Loan and Mortgage Co., Ltd. held last week, it was disclosed that a net profit of \$1,765,000 was made during the past year. This sum, compared with \$1,150,000 in 1949, showed an increase of \$615,000 or over 50% on the year's working.

"This very satisfactory increase in revenue," the Chairman pointed out, "is due to the continued growth of our business. In the year under review we handled 30% more cargo through the godowns and our lighterage fleet doubled the tonnage carried in 1949. As well as the consequent increase in storage earnings, our lighterage, truck and transhipment departments all returned increased profits and also the percentage of operating expenses on income was slightly reduced."

In view of the continued excellent trading results, it was agreed to increase the dividend to \$1 per share together with a bonus of 70 cents per share, both free of tax, making a total of \$1.70 per share or 34% dividend, free of tax. The sum of \$150,000 was also set aside to provide the annual staff bonus. Appropriations were: a dividend of \$1 per share absorbing \$542,213; a bonus of 70 cents per share amounting to \$379,549; a bonus to staff of \$150,000 leaving \$1,030,105 to be carried forward.

The Chairman also disclosed that the provision for depreciations has been increased by \$34,000 to take care of a full year's depreciation on lighters purchased in 1949 and 1950 and also sundry additions to buildings. The Company has spent since 1946 over three million dollars in capital assets.

SINGAPORE SHARE MARKET

All sections of the Singapore Share Market opened the first April week firmly, Industrials and to a lesser extent Rubbers improved over the period and Tins remained steady.

From April 10th, export, of rubber from the Federation to all places except Britain, Canada, the sterling Dominions, Eire and Africa will be allowed only after special application has been made for an export licence and approved. In Singapore no alteration in licensing procedure is envisaged exporters continuing to apply to the Controller of Imports and Exports. There were however no apparent repercussion in rubber shares.

The world wide wave of inflation has recently become most marked in Malaya in consumer and other goods but fortunately, the country's two main exports had responded as quickly if not quicker than most imported items. Thus any plans for price fixing for a term, whether short or long, for Malaya's products must continue to be approached with extreme caution and should not in any case be contemplated except based on an index probably at 1939 rates of the prices of numerous other universally required commodities. As was pointed out by Sir John Hay this country must take the greatest care to avoid again "selling cheap and buying dear." However attractive a price fixed in any currency may appear at present no one on earth can guarantee that it will be even nearly reasonable in twelve months' time.

Industrials were a very firm market stimulated by investors' ideas that further capital increases were likely. At the end of the week there were buyers of Gammon at \$2.90, Robinson Ords at \$3.00, Traders at \$19.00, Straits Steamship at \$18.75, Cold Storage at \$4.40, Uniteer Ords at \$10.50, Wearnes at \$2.80, and Wm. Jacks at \$2.80. Sterling Tins were the quietest section with very little business passing. London closed slightly harder with buyers of Pahangs at 17/4½ and Southern Kinta at 14/3. Amongst Dollar Tin

Shares, Petalings were steady moving from \$40 to \$5.55 and Jebebus were in demand at \$1.17½ with few sellers. Hong Fatt were wanted at 91 cents and Batu Selangor at 84 cents. There was some improvement in Australian Tin shares with Kuala Kampar taken up to 38/9, Harbours up to 14/9 and Kampong Lanjut up to 32/6 with buyers over. Laruts were steady at 13/9 but Austral Amalgamated and Rawang Tinfields were somewhat neglected. Rubbers were very firm with Pajam asked for at \$1.57½, Ayer Panas at \$1.50. Batu Lintang at \$1.70, and Bedfords at \$1.45. On the local Loan Market there was still very little of the War Loans available and offers were quickly absorbed. Taxable loans were steady.

Business Done

Industrials. Fraser & Neave Ord. \$3.50 to \$3.52½, Gammon \$2.57½ to \$2.95, Malayan Collieries \$1.65 to \$1.75, Phoenix \$7.50, Robinson Ord. \$2.90 to \$3.00, Straits Steamship \$17.25 to \$18.25, Singapore Cold Storage \$4.35 to \$4.40, Straits Traders \$18.00 to \$19.00, Uniteer Ord. \$10.40, Henry Waugh \$2.57½ to \$2.60, Wearne Bros. \$2.77½, Wm. Jacks \$2.72½ to \$2.80, Hongkong Bank (Col.) \$750 to \$740, Union Insurance \$390, \$399, to \$390.

Dollar Tins. Hong Fatt 85 cents to 90 cents, Jebebu \$1.20, Kuchai \$2.50, Petaling \$5.40 to \$5.55, Rantau \$2.52½, Sungei Way \$350, Taiping

\$2.42½ to \$2.45, Telok Kruin \$2.02½, Ulu Klang 40 cents.

Australian Tins. Austral Amal. 11/1½, Kampong Lanjut 32/6, Kuala Kampar 37/7½ to 38/9, Larut 13/7½ and 13/9, Rawang Tinfields 7/6, Pungah 22/- to 22/6, Takuapa 24/-, Tongkah Harbour 14/4½ to 14/9.

Sterling Tins. Ayer Hitam 27/-, and 27/3, Kamra 2/1 Kundang 10/-, Kinta Kellas 6/11, Lower Perak 12/9 and 12/10½.

Rubbers. Allenby 55 cents, Amalgamated Malay, \$1.12½ to \$1.15 to \$1.12½ c.d. Ayer Hitam 55 cents, Ayer Panas 1.45, Bassett 57½ cents, Batu Lintang \$1.70, Bedford \$1.45, Benta \$1.17½ to \$1.30, Broga 65 cents, Changkat Serdang \$1.50, Connemara \$1.10 to \$1.15, Glenealy \$1.45, Indragiri 40 cents to 45 cents, Kedah 44 cents and 45 cents, Kempas \$2.65 to \$2.70, Kuala Sidims \$1.62½, Kluang Ord. \$1.10, Lunas \$2.55, Mentakab \$1.72½, New Scudai \$1.50 to \$1.52½, Nyaias \$1.10, Pajam \$1.50 to \$1.55, Perak River Valley \$1.15, Radella \$1.20, Sungei Bagan \$2.15, Sungei Tukang \$1.67½, Suoh 50 cents, Tambalak \$1.07½, Tapah \$2.35 to \$2.37½, Telok Anson \$1.75, United Malacca \$1.90.

Gold. Raub \$2.18 and \$2.20.

Overseas Investments. Australian:— B.H.P. Rights A.21/10 and A.22/7, Buzacotts A.48/3, Winns A.11/4½, Swan Breweries A.53/4½, Ludowici & Sons A.60/6, Blair Athol A.17/-.

British:—British Borneo Petroleum 43/3.

Runnymede Hotel Ltd., who recently announced the intention of issuing one fully paid share free for every two held on 14.4.51 have published the Annual Report and Accounts. Consolidated profit and loss account of the Company and its subsidiary Company Eastern and Oriental Hotel Ltd., shows a net profit earned for the year ended 30.9.50, of \$99,214 (19.5%) and a dividend of 10% is recommended against 12½% for the previous year. Net liquid assets in Consolidated Balance Sheet \$166,890 are equivalent to 32.7 cents per share. The lease of the Runnymede Hotel to the Military Authorities expired at 30.9.50; and was replaced by a new lease for 3 years at \$500 per month less than was previously payable.

Talisman Rubber Co. Ltd., earned a profit of \$136,091 (77.6%) for the year ended 31st December, 1950, and a final dividend of 30% recommended which together with the interim dividend totals 50% against 15% for the previous year. Net liquid assets in Balance Sheet \$124,982 are equivalent to 71.2 cents per share. All in the cost of production was 29.9 cents per lb. from a crop averaging 992 lbs. per acre. The Company owns 524 acres of mature rubber all planted from 1928 onwards, and 7 acres of immature rubber while the unplanted area is 472 acres. 5 tons of rubber monthly has been sold for July/September, 1951 at \$1.95 per lb.

HONGKONG STOCKS & SHARES

Stock	Authorised Capital (No. of Shares)	Issued Capital (No. of Shares)	Value	Paid Up	Reserves
H.K. Government 4% Loan	Issued	\$4,838,000	Interest @ 4% p.a., payable half-yearly	1 Feb.	
Do. 3½% „ (1934)	Balance	\$5,040,000	do. 3½% p.a., do.	15 Jan.	
Do. 3½% „ (1940)	do.	\$7,074,000	do. 3½% p.a., do.		
Do. 3½% „ (1948)	Issued	\$50,000,000	do. 3½% p.a., do.		
Banks					
H.K. & Shanghai Banking Corp.	160,000	All	\$125	All	(e) £6,000,000
„ London Register					
Chartered Bank of I. A. & C.	600,000	All	£ 5	All	£4,000,000
Mercantile Bank of India Ltd.					
(A. & B. A & B 60,000)		All	£ 25	£12/10/-	(a) £300,000
(C. C 300,000)		60,000	£ 5	All	£1,050,000
Bank of East Asia, Ltd.	500,000	100,000	\$100	All	\$5,000,000
Insurances					
Canton Insurance Office, Ltd.	200,000	50,000	\$50	All	(k) 4,500,000 (f) 2,500,000 (i) 3,265,278 9,667,561
Union Insee. Socy. of Canton, Ltd.	200,000	135,000	£10	All	(j) £900,000 (f) 600,000 (b) 692,325 (nn) 59,798 (ll) 3,013,730 (mm) 996,432 573,534
China Underwriters, Ltd. Fdrs.	500,000 15	256,000 15	\$10 \$1,000	\$7 All	(x) 2,421,401 (ll) 103,957 (mm) 74,512 (nn) 150,421 (f) 131,111
Hongkong Fire Insurance Co., Ltd. X.D.	200,000	40,000	\$50	All	(k) 2,000,000 (f) 1,200,000 (i) 1,481,172 3,547,765
Shipping					
Douglas Steamship Co., Ltd.	20,000	All	\$50	All	(n) 1,000,000 (f) 144,874 (a) 480,556 (k) 1,527,414 (hh) 102,491 884,939
Hongkong, Canton and Macao Steamboat Co., Ltd.	80,000	All	\$15	All	(c) 175,638
Indo-China Steam (Pref. £1 shares	600,000	247,945	£ 1)		£500,000
Navigation Co., Ltd. (Def. £1 shares	500,000	247,945	£ 1)	All	(a) 428,550 (n) 166,915
Shell Transport & (Bearer)	—	—	—	—	—
Union Waterboat Co., Ltd.	71,430	All	\$7	All	(a) 65,000 85,000
Eastern Asia Navigation Co., Ltd.	10,000,000	3,000,007	\$1½	All	1,000,000
Docks, Wharves & Godowns					
Hongkong & Kowloon Wharf & Godown Co., Ltd. X.D.	1,000,000	180,000	\$50	All	5,000,000

CAPITAL, DIVIDEND, QUOTATIONS

Carried Forward	Date of Balance Sheet	Last Dividend	When Paid or Payable	Highest Lowest 1951			
				Jan./Feb. High	Low	March High	Low
& 1 Aug.—Issued 1933.—Redeemable 1953. (Sinking Fund 31-12-50 \$3,956,137.40)				\$98	\$98	—	—
& 15 July—Issued 1934.—Redeemable yearly by drawing (1/25th part) final redemption 1959.				\$95½	\$95½	—	—
do.	Issued 1940.—	do.	1965.	\$95½	\$95½	—	—
do.	Issued 1948.—Redeemable 1973/1978 (Sinking Fund 31-12-50 \$5,770,-816.60)			\$99	\$96	\$96	\$96
\$6,699,224	31-12-50	Int. Divd. 1950 £2 @ 1/2% Free of Tax	Aug. 14, 1950	\$1325	\$1180	\$1370	\$1300
		Final Divd. 1950 £3 @ 1/2% Free of Tax	Mar. 10, 1951	£75¼	£75¼	—	—
£365,836	31-12-50	Int. 1950, 6% Less Tax	Sept. 29, 1950			—	—
		Final 1950, 8% -do-	April 4, 1951			—	—
£188,919	31-12-50	Int. 1950 6% Less Tax	Sept. 26, 1950			—	—
		Final 1950 6% Less Tax	Mar. 29, 1951			—	—
982,392	31-12-50	\$8.50 Free of Tax, Divd & Bonus for 1950.	Feb. 1, 1951	\$110	\$102	\$102	\$102
452,277	31-12-49	\$15 for 1949 Free of Tax	May 17, 1950	\$260	\$240	\$260	\$240
£316,048	31-12-49	32/6 for 1949 Free of Tax	May 25, 1950	\$670	\$610	\$720	\$675
9,249	31-12-49	—	—	\$3.10	\$2.80	\$3.25	\$3
45,295	31-12-50	\$11 Free of Tax of 1950	Apr. 18, 1951	\$145	\$125	\$135	\$135
233,103	31-12-49	\$5 Free of Tax for 1949	June 28, 1950	—	—	—	—
Dr. 152,950	31-12-49	\$1 for 1938	April 28, 1939	\$15	\$15	—	—
£37,217	31-12-49	6% 1949 on. Pref. shares, less tax 10% divd. & 10% Bonus for 1949 on Def. shares, less tax	June 21, 1950	67/-	67/-	\$55	\$55
2,981	31-12-49	Divd. \$2.50, Free of Tax for 1950	Mar. 28, 1951	\$18	\$18	—	—
48,035	31-12-48	Divd 5 cts Free of Tax for 1949	Dec. 15, 1950	\$0.75	\$0.675	\$0.80	\$0.70
522,967	31-12-50	\$12 Free of Tax for 1950	Apr. 11, 1951	\$82	\$71	\$83	\$72½

Stock	Authorised Capital (No. of Shares)	Issued Capital (No. of Shares)	Value	Paid Up	Reserves
North Point Wharves, Ltd.	2,500,000	704,500	\$10	All	— 320,500
Shanghai & Hongkew Wharf Co., Ltd.	640,000	480,000	\$50	All	(b) (e) 2,251,820 500,000
Hongkong & Whampoa Dock Co., Ltd. X.D.	1,000,000	All	\$10	All	(a) (v) 3,336,113 5,235,539 2,500,000
China Provident Loan and Mortgage Co., Ltd. X.D.	2,000,000	542,213	\$5	All	(a) (c) (t) (u) (w) 67,129 900,000 253,033 120,000 462,879 5,218,884
Shanghai Dockyard, Ltd.	2,000,000	1,125,000	\$7	All	(d) (s) (h) 2,604,882 500,000 4,956,948 492,448
Wheelock Marden & Co., Ltd.	1,000,000	500,000	\$20	All	8,000,000
Mining					
Raub Australian Gold Mining Co., Ltd.	800,000	All	5/-	All	— 2,000,000
Lands, Hotels & Buildings					
Hongkong & Shanghai Hotels, Ltd. ...	1,500,000	1,193,867	\$7½	All	(w) (d) (h) (r) 745,680 1,500,000 56,749 500,000
Hongkong Land Investment and Agency Co., Ltd.	2,000,000	400,000	\$25	All	(a) (b) 3,003,000 4,600,000 5,165,000
Shanghai Land Investment Co., Ltd. ...	2,386,800	All	\$5	All	3,250,000
Humphreys Estate & Finance Co., Ltd.	1,000,000	300,000	\$10	All	1,000,000
Hongkong Realty & Trust Co., Ltd. ...	5,000,000	2,000,000	\$1	All	(p) 1,500,000 95,000
Chinese Estates, Ltd.	30,000	16,500	\$100	All	(d) (ii) 916,541 18,000
Public Utilities					
Hongkong Tramways,	4,000,000	1,950,000	\$5	All	(qq) 3,400,000 750,000
Peak Tramways, Ltd. (O) (N)	25,000 50,000	( (	All \$10	All \$5	) (oo) 60,000
Star Ferry Co., Ltd.	2,000,000	80,000	\$10	All	(a) (c) 1,000,000 2,250,000 211,279
China Light & Power Co., Ltd. (F. Pd.) (P. Pd.) (Bonus)	20,000,000	7,200,000) 2,000,000)	\$5	All \$3	(i) (k) 1,327,504 1,588,576 44,579
Hongkong Electric Co., Ltd.	5,000,000	2,100,000	\$10	All	(oo) 3,400,000 2,000,000
Macao Electric Lighting Co., Ltd. . (O) (N) Bonus	200,000	150,000	\$10	All	(w) (oo) 506,755 400,000
Sandakan Light & Power Co., Ltd.	50,000	All	\$5	All	(d) (h) 12,613 148,823 21,313

Carried Forward	Date of Balance Sheet	Last Dividend	When Paid or Payable	Highest Lowest 1951			
				Jan./Feb. High	Low	March High	Low
514,555	31-3-50			\$5.40	\$4½	\$5.15	\$5
Dr. 1,349,112	31-12-49	Int. Divd. Gold Yuan \$0.50 for 1948 Final Divd. \$2. for 1948	Nov. 15, 1948 May 20, 1949	—		—	
2,178,617	31-12-49	\$2 Free of Tax for 1950	Apr. 16, 1951	\$13	\$12	\$13½	\$12.90
656,832	31-12-49	Divd. \$1) Tax free for 1950 Bonus 70 cts)	Apr. 14, 1951	\$11	\$9½	\$12%	\$11¾
224,109	30-9-50	Divd. 70 cts for 1948.	Mar. 11, 1949	\$3.20	\$2.85	\$2.90	\$2.75
529,697	31-3-50	Divd. \$2 Free of Tax, year 31-3-50.	Dec. 19, 1950	\$21½	\$17¼	\$24	\$20½
393,453	31-12-50	Divd. 75 cts for 1950) Free of Tax Bonus 25 cts for 1950)	Mar. 15, 1951	\$7	\$6.35	\$5.65	\$5.30
22,652	31-12-50	\$4 less Tax for 1950	April 2, 1951	\$38½	\$30	\$39½	\$34
Dr. 236,323	31-12-47			\$1.50	\$1	\$1.40	\$1.40
65,332	31-12-50	Divd. \$1.20, less Tax for 1950	Mar. 15, 1951	\$7½	\$7	\$7½	\$7
175,100	30-4-50	Divd. 10 cts. Free of Tax for year ended 30-4-50	Nov. 15, 1950	—		—	
487,554	31-12-50	Int. divd. \$5 Free of Tax for 1950 Final \$10 -do-	Aug. 7, 1950 Feb. 2, 1951	—		—	
116,691	31-12-50	Int. Divd. 60 cts. less Tax) 1950 Final „ \$1.40 „)	Sept. 21, 1950 Mar. 21, 1951	\$12¼	\$10	\$13	\$11
11,387	31-3-50	\$3 for (old)) Free of tax for year \$1.50 for (new)) 31.3.50	May 24, 1950	—		—	
416,961	31-12-49	\$9 Free of Tax for 1950	Pending	\$70	\$67	\$72	\$70
259,437	30-9-50	Int. 40 cts, year 30-9-50 Tax Free Pro rata, partly paid Shares Final \$1. year 30-9-50, Tax Free Pro rata, partly paid Shares	June 14, 1950 Dec. 20, 1950	\$6.40 \$3.80 \$6.10	\$5.70 \$3.30 \$5.40	\$6.20 \$3.80 \$5.80	\$5.90 \$3.40 \$5½
626,098	31-12-50	Int. \$1, Free Tax) 1950 Final \$2 do.)	Sept. 15, 1950 Mar. 9, 1951	\$26½	\$20	\$24¼	\$22
17,527	30-11-49	\$2 for year 30-11-1949.	Apr. 28, 1950	\$9	\$9	—	—
59,106	30-6-50	Int. divd. 40 cts. a/c year 30-6-41	June 8, 1941	—		—	

Stock	Authorised Capital (No. of Shares)	Issued Capital (No. of Shares)	Value	Paid Up	Reserves
Hongkong Telephone Co., Ltd. (O) (N)	1,900,000	1,500,000	\$10	All	(w) 370,395
Shanghai Gas Co., Ltd.	700,000	All	\$15	All	(w) 1,666,985 (d) 585,997 (oo) 613,322
Industrials					2,000,000
Green Island Cement Co., Ltd.	1,000,000	600,000	\$10	All	(r) 500,000 (gg) 300,007 (i) 250,009
Hongkong Rope Manufacturing Co., Ltd.	200,000	All	\$10	All	(oo) 650,000 (b) 360,039 (e) 209,000
Stores, Etc.					5,166,690
Dairy Farm, Ice & Cold Storage Co., Ltd. X.D.	4,000,000	1,466,676	\$7½	All	(y) 250,000 (z) 160,291 (pp) 500,000
A. S. Watson & Co., Ltd.	600,000	450,000	\$10	All	2,250,000
Lane, Crawford, Ltd.	250,000	149,900	\$10	All	1,250,000
Sincere Co., Ltd.	1,000,000	All	\$10	All	
China Emporium, Ltd.	499,988 (ord.) 12 (Fdrs.)	200,544 (ord.) 12 (Fdrs.)	\$10	All	400,000
Sun Co., Ltd.	1,000,000	800,000	\$10	All	(v) 600,000 120,000
Kwong Sang Hong, Ltd.	24,000	All	\$75	All	(b) 1,200,000 (i) 200,000 269,516
Wing On Co., Ltd.	80,000	All	\$100	All	(h) 700,000 19,271
William Powell, Ltd.	50,000	42,000	\$2	All	100,000
Miscellaneous					
China Entertainment & Land Investment Co., Ltd.	499,980 (ord.) 20 (Fdrs.)	199,697 (ord.) 19 (Fdrs.)	\$10	All	230,000
H.K. Engineering & Construction Co., Ltd. (O) (N)	2,500,000	500,000) 500,000)	\$2	All \$1	(pp) 400,000
Vibro Piling Co., Ltd.	100,000	80,750	\$3	All	(pp) 200,000
Shanghai Loan & Investment Co., Ltd.	700,000	524,992	\$2	All	(c) 100,000 225,000
Yangtze Finance Co., Ltd.	2,000,000	1,032,770	\$5	All	(c) 1,000,000
Cotton Mills					500,000
Ewo Cotton Mills, Ltd.	2,040,000	1,723,500	\$5	All	(w) 3,006,000

a Premium on Shares.
b Building Reserve Accounts.
c Investment Fluctuation Account.
d Depreciation Fund.
e Equalization of Dividend Fund.
f Exchange & Investment Fluctuation Account.
g Sterling Reserve Fund.
h Exchange Fluctuation Account.

i Insurance Fund.
j Reinsurance Fund.
k Contingency Reserves.
l Special Repair Fund.
m Estimated Outstanding Claims.
n Underwriting Account.
o Raw Material Reserve.

p Property Amortisation Reserve.
q Provision for Ships Replacement.
r Repairs and Renewals Account.
s Conversion Account.
t Typhoon Insurance Fund.
u Underwriting Suspense Account.
v Special Reserve Fund.

Carried Forward	Date of Balance Sheet	Last Dividend	When Paid or Payable	Highest Lowest 1951			
				Jan./Feb. High	Low	March High	Low
1,348,122	31-12-49	Divd. \$1.20, Free of Tax for 1949.	May 31, 1950	\$10¼ \$9½	\$9 \$8¼	\$10¼	\$9½
—	31-12-46	—	—	—	—	—	—
386,646	31-12-50	Divd. \$2 Free of Tax for 1950.	Mar. 14, 1951	\$13	\$10¼	\$11½	\$10
149,831	31-12-50	Divd \$1) 1950, Free of Tax Bonus \$2)	Mar. 21, 1951	\$14½	\$11½	\$15¼	\$11
151,462	31-12-49	Divd. \$2.50) per share (old) Less Tax \$1.25 per share (new)) for 1950	April 19, 1951	\$13¼ \$12	\$10 \$9	\$14¼ \$13	\$13 \$11½
182,486	31-10-50	\$3 per share, Free of Tax, for year 31-10, 1950	Mar. 16, 1951	\$22	\$19½	\$21	\$16
425,923	28-2-50	Final Divd. \$2) Yr. 28-2-50 Bonus \$1.50) Tax Free Int. Divd. \$1) Yr. 28-2-51 Bonus 50 cts.) Tax Free	June 30, 1950 Dec. 15, 1950	\$20	\$20	\$23	\$23
98,005	31-12-49	40 cts. Free of Tax, 1948	Oct. 15, 1949	\$3	\$3	\$3	\$3
205,980	31-12-49	Divd. 80 cts. Bonus 20 cts. tax Free, 1949	Mar. 18, 1950	\$9	\$9	—	—
80,255	31-12-49	Divd. 30 cts. Free of Tax, 1949.	Dec. 23, 1950	\$1.90	\$1.85	\$2.10	\$2.10
360,409	31-12-50	Int. Divd. \$6 Less Tax) 1950 Final Divd. \$10 Less Tax)	Sept. 1, 1950 Feb. 28, 1951	—	—	—	—
109,661	31-12-49	Divd. \$6 for 1949, Free of Tax	July 15, 1950	—	—	—	—
15,979	29-2-50	Divd. \$1 Free of Tax, year 28.2.50	May 30, 1950	—	—	—	—
42,103	31-12-50	Divd. 50 cts. Bonus \$1.75) (ordy shares less Tax) 1950 Bonus \$2,215.41 (Fdrs.) shares less Tax)	Mar. 30, 1951	\$13	\$12½	—	—
115,566	31-12-49	40 cts. (old) 1¼ cts. (new) for 1931	April 5, 1932	—	—	—	—
418,818	31-12-50	Divd. \$1.25 for 1950, Free of Tax	Mar. 10, 1951	\$9½	\$9½	\$8½	\$8¼
74,608	31-12-48	Divd. 20 cts. for 1948	July 20, 1949 July 14, 1949	\$0.60	\$0.60	—	—
237,139	31-3-49	Divd. 6% free of Tax, year 31-3-50	Dec. 12, 1950	\$2	\$1.90	—	—
1,715,240	31-12-49	H.K. 40 cts. for 1948	Dec. 31, 1949	\$2.70	\$2.20	\$2.60	\$2½

w Capital Reserve Fund.
x Life Assce. Fund.
y Cattle Reserve Fund.
z Cattle Wastage Account.
aa Leave Pay & Passages.
bb Estimated Surplus, Less War Losses.
cc Provision for Rehabilitation.

dd Taxation Reserve.
ee War Losses Account.
ff Claims & Taxation.
gz Pension and Leave A/C.
hh Steamers' Repair Reserve.
ii Bad Debts Reserve.
jj Assets Revaluation Reserve.

kk Outstg. Life Claims Reserve.
ll Fire Insc. Fund.
mm Accident —do—
nn Marine —do—
oo Replacements Reserve.
pp Plant & Machinery Reserve.
qq Development & Obsolescence Reserve.

FINANCIAL REPORTS

INTERNATIONAL THREE-CORNER & COMMODITY ARBITRAGE BUSINESS

New opportunities for international transshipments and three-corner transactions are arising. They will play an even greater role than former transshipments which were widespread in connection with the use of Transferable Account Sterling at a time when TAL was 20% and more below the official rate. We do not expect TAL to become so cheap again. We even believe that the new transshipment opportunities will, to a great extent, arise without any use of TAL or with the use of TAL only as a by-product of the transaction. Indirectly, however, many traders will be able to use more favorable rates of exchange in their transactions than official or regular free market rates may indicate, as the result of advantages which will arise from international "commodity arbitrage."

The following must be considered: On an international scale many materials will remain scarce for a long time. A return to a peace-time normalcy will not be possible for years to come, or at least not in the immediate future. In the meantime, scarcities will appear to a different degree in individual countries. The scale of urgency of requirements for individual commodities will differ greatly from country to country. Price ceilings and controls, and especially Government intervention, will restrict the normal process where international trade creates a relatively equal balance of demand and supply of each article in various parts of the world. Many "mistakes" in blueprint plans will have to be corrected, but this can only be done by permitting private dealers to exchange goods which are less scarce in one country against goods which are urgently needed and which can be supplied by another country. In addition, price ceilings will also contribute to the creation of greater variations of price levels in individual countries. Direct trade often is unable to take advantage of such price differentials. But three-corner deals where goods with high priority ratings are made available, and deals where use can be made of higher price levels and high priority urgency of supply in a particular country, will become extremely profitable. It should be noted that iron-clad import-export restrictions often apply only to particular areas, and that many countries still follow their own pattern

of restrictions, or apply policies in different ways. As a result, commodities are again being shipped forwards and backwards in order to reach the final user. We are not referring to East-West trade though it also makes use of transshipment possibilities.

Industrial corporations which at present do not take active interest in international trade will often find themselves in a position where they will be drawn

HONGKONG STOCK AND SHARE MARKET

Although volume of business was on a smaller scale last week, rates have remained very steady with further improvement shown in Hongkong Bank and Unions. The market closed firm.

Dividends announced during the week: Canton Insurance Office \$15 per share Free of Tax. Union Insurance of Canton £1/15/- per share Free of Tax.

Business reported during the week, \$1,318,060. Business reported for March, 1950, \$3,849,052. Business reported (16th week) 1950, \$576,729.

into the new international commodity arbitrage. For this will enable them to get supplies of goods which are scarce and to take advantage of price differentials which otherwise cannot be used because of ceilings. Ultimately, the new international trade will also tend to affect free market rates of foreign exchange. The entire system may result in the emergence of "commodity exchange" at rates which may considerably differ from direct foreign exchange transactions. It is important to study carefully the new development in order to make use of legitimate additional supply and market opportunities in "semi-controlled" international trade.

— G. Reimann, New York USE OF TRANSFERABLE ACCOUNT STERLING

Britain's international financial outlook is better from the short-term point of view than many reports may indicate. The British Government has considerable financial reserves far in excess of official figures. They are a special "nestegg" to be used for emergency purposes. But inner political considerations may lead to a decision to sacrifice most of these hidden reserves. Thus the decline of official reserves, which must be expected, will be greater than official figures will indicate. Rates for sterling exchange will be under some pressure. The same will apply to switch sterling. The Bank of England may discourage outflow of foreign funds by ignoring a limited decline of the switch sterling rate. A later recovery is, however, possible and even probable.

The Bank of England will, for a long time, work with the TAL system. Its use may be widened in some spheres and curtailed in other spheres. But the system as such will remain in existence for the alternative would be a free market sterling. While it seemed to be possible to introduce a free market sterling officially a short time ago, even Conservative experts in Britain now agree that foreign exchange controls must continue. A Conservative Government would not make basic changes of foreign exchange controls and would not follow a policy of decontrol of sterling—except in minor spheres and perhaps also by liberalizing rules for the use of TAL. But it would tighten controls very fast whenever a new outflow of sterling capital should take place, or new difficulties in the balance of payments position should arise.

It is most unlikely that a new shrinkage of the dollar and gold reserves will be permitted to take place to such an extent as it did 1949. At a much earlier stage of a new decline of the reserves, drastic action will be taken. At the same time, serious attempts will be made to reintroduce or to expand sterling transactions in international trade via TAL channels.

Use of T.A. sterling in commercial and transshipment transactions still becomes attractive in many cases in spite of the reduced margin. This is possible in triangular transactions or three-corner trade where individual firms are able to pay a higher margin or a better rate than regular foreign exchange dealers. The center of such transactions is in

Europe.

Permits for T.A. sterling transactions will again be more carefully scrutinized by the Bank of England according to latest policies of the Bank of England. The Dutch authorities in various TAL countries will also be more "cooperative." It often is a practice that dealers who are known for "cooperation" with the authorities and for being discreet are able to get licenses in individual cases where other firms fail.

— G. Reimann, New York

ESTIMATES FOR WORLD GOLD & SILVER PRODUCTION IN 1950

World gold output in 1950 is estimated at 26,000,000 fine ounces against 1949's 25,500,000 as increases in Canada and the United States outweighed declines elsewhere. The totals include South Africa 11,668,000 against 11,705,000 ounces, Canada 4,400,000 against 4,113,000 ounces, United States 2,400,000 against 1,996,000 ounces, Russia nominal 2,000,000 unchanged, Australia 850,000 against 893,000 ounces, Gold Coast 680,000 against 677,000 ounces, Southern Rhodesia 510,000 against 528,000 ounces, Mexico 400,000 against 406,000 ounces, Colombia 406,000 against 359,000 ounces, Congo 350,000 against 384,000 ounces,

the Philippines 300,000 against 289,000 ounces, Korea 200,000 ounces against 300,000, Chile 200,000 against 179,000 ounces, India 189,000 against 161,000 ounces, Brazil 180,000 ounces unchanged, Japan 120,000 ounces against 100,000 ounces. The British Commonwealth produced 18,700,000 ounces against 18,496,000 or 71.9 against 72.5 per cent of the world total. South Africa produced 44.9 against 45.9 per cent.

World production of Silver in 1950 was 157.2 million fine ounces. Of that total, 134.7 million fine ounces was produced in the Western Hemisphere, as shown by the following table:

Country	1950 (million fine ounces)	1949
Mexica	47.0	49.5
United States	42.0	34.6
Canada	21.5	18.2
Peru	10.5	10.6
Bolivia	5.7	7.0
Other Central and South American countries	8.0	6.7
Total Western Hemisphere	184.7	126.6
Rest of World	22.5	23.0
Total World Production	157.2	149.6

HONGKONG CLEARING HOUSE

The amount passed through the clearing in March was \$1,565,262,956. In the preceding two months of this year the amounts were resp. \$1,400,264,521 and \$1,890,876,913. In Dec. and Nov. 1950 the clearing totals were resp. \$1,557,247,426 and \$1,543,739,850.

HONGKONG BANK NOTES

February bank note total circulation: \$807,979,596, of which Hongkong & Shanghai Banking Corp. accounted for \$755,876,770, Chartered Bank \$47,627,826 and Mercantile Bank \$4,474,990.

INDIAN RUPEE IN £ AND US\$

Rs. 1=1 sh. 6d. or 21 cents.
Rs. 100=£7/9/6 or \$21
Rs. 1,000=£74/10/0 or \$210
Rs. 100,000 (one lakh)=£7,473/19/2 or \$21,000
Re. 1,000,000 (ten lakh)=£74,739/11/8 or \$210,000
Rs. 10,000,000 (one crore)=£747,395/16/8 or \$2,100,000
Rs. one hundred thousand (100,000)=one lakh (100,000)
Rs. one million (1,000,000)=ten lakh (1,000,000)
Rs. ten million (10,000,000)=one crore (10,000,000)

ICENED BANKS IN HONGKONG

The undermentioned banks have been granted a licence by the Governor-in-Council.

American Express Co., Inc., Banco Nacional Ultramarino, Bank of Canton, Ltd., Bank of China (Hongkong Branch), Bank of Chungking (Hongkong) Ltd., Bank of Communications (Hongkong Branch), Bank of East Asia, Ltd., Bank of Kwangsi, Ltd.

Banque Belge Pour L'Etranger (Extreme-Orient), Banque de L'Indo-Chine, Canton Trust & Commercial Bank, Ltd., Central Trust of China (Hongkong Branch), Chartered Bank of India, Australia & China, Chase Bank, Chekiang First Bank of Commerce (Hongkong) Ltd., Cheong Kee Bank, Cheuk Kee Bank, Chi Chong Bank, Chi Yu Banking Corp., Ltd., China & South Sea Bank Ltd. (Hongkong Branch), China Industrial Bank of Hongkong Ltd., China State Bank, Ltd. (Hongkong Branch), China Trade Bank, Ltd., China Trust Co., Ltd., Chinese Postal Remittances & Savings Bank, Chiu Tai Bank, Ltd., Choi Kee Bank.

Dah Sing Bank, Ltd., Dao Heng Bank, E. D. Sassoon Banking Co., Ltd., (Incorporated in the Bahama Island), Farmers Bank of China, Fat Cheong Bank, Fengtien Co., Ltd., Foo Kee Bank, Fook Wa Banking & Insurance Co., Ltd., Fu Shing Bank of Hongkong Ltd.

Hang Fat Bank, Hang Lung Bank, Hang Seng Bank, Hang Shun Gold Dealer, Hang Tai Bank, Hing Fung Kwong Fat Bank, Ho Cheng Bank, Ltd., Hongkong & Shanghai Banking Corporation, Hongkong & Swatow Commercial Bank, Ltd., Hongkong Trust Corporation, Ltd., Hong Nin Savings Bank, Ltd., Hop Kee Bank.

Ka Wah Bank, Ltd., Kan Koam Tsing & Co., Kar Cheung Chong Bank, Kinchong Banking Corporation, Kung Yue Bank, Kwai Kee Bank, Kwangtung Provincial Bank (Hongkong Branch), Kwong On Bank, Kwong Shun Hong, Lai Yuen Bank, Lee Shing Bank, Liu Chong Hing Savings Bank, Lui Hing Hop Cheung Kee Bank.

Man Cheong Bank, Man Fat Bank, Man Lee Hing Kee Bank, Mercantile Bank of India, Ltd., Ming Tai Bank, Ming Tak Bank, Mun Fat Bank Kee, Nanyang Commercial Bank, Ltd., National City Bank of New York, National Commercial Bank (Hongkong Branch), National Commercial & Savings Bank, Ltd., National Industrial Bank of China, Nationale Handelsbank, N.V. (Netherlands Trading Society Limited), Ngau Kee Bank.

On Tai Bank, Oversea Chinese Banking Corporation, Ltd., Po Sang Bank, Provincial Bank of Fukien (Hongkong Branch), Sang Yick Bank,

Sang Yuen Bank, Shanghai Commercial & Savings Bank, Ltd., Shanghai Commercial Bank, Ltd., Shui Cheong Bank, Shun Foo Banking & Investment Co., Ltd., Sin Hua Trust, Savings and Commercial Bank, Ltd. (Hongkong Branch), Sing Hang Bank, South West Development Bank, Ltd., Sze Hai Tong Banking & Insurance Co., Ltd.

Tai Sang Bank, Tai Shing Bank, Tai Yau Bank, Ltd., Tak Cheong Bank, Tak Fat Bank, Tak Kee Bank, Tak Shing Fook Kee Bank, Tak Yuen Bank, Thos. Cook & Son (Continental & Overseas) Ltd., Tong Ho & Co., Ltd., Tung Tack Bank, Underwriters Bank, Inc., United Chinese Bank, Ltd.

Wah Mee Banking Co., Ltd., Wing Cheung Bank, Wing Hang Cheong Kee Bank, Wing Lung Bank, Wing Ming Bank, Wing On Bank, Ltd., Wing On Co., Ltd., Wing On Fire & Marine Insurance Co., Ltd., Wo Cheung Bank, Yau Hang Bank, Ltd., Yau Tak Bank, Yau Wing Bank, Yee Sang Bank, Yien Yieh Commercial Bank Ltd. (Hongkong Branch), Ying Shun Bank, Ying Yuen Bank, Young Brothers Banking Corporation (Hongkong Branch), Yue Chan Kung Kee Bank, Yue Cheung Hong Bank, Yue Loong Bank, Yue Man Banking Co., Ltd., Yue Tak Shing Kee Bank.

Investments in South China

The Communist South China Development & Finance Enterprises Co. Ltd., in Canton was reported to have drawn enthusiastic response from Chinese in Hongkong and Macao as far as investments were concerned. The South China Development and Finance Enterprises Co. Ltd., is the first enterprise jointly owned by the State and private interests in South China and since its establishment on Feb. 24, 1950, it has made a net profit of Y10 million. As reported by leftist papers here, the Company in a campaign to extend its shares to 40,000, is planning to absorb investments from overseas Chinese in Hongkong, Macao and other Southeast Asian countries. As a bait for investments, the Company laid down regulations allowing overseas shareholders to draw profits in advance on the low interest rate of 6 per cent monthly for support of their dependents in Red China. The rule said that overseas Chinese who invest Y10 millions would be allowed to get an advance of Y600,000 monthly and the advanced part will be deducted from the total of dividends to be announced at the end of the year.

The chief business of the company is summarized as collecting and exporting China's native goods and importing raw materials and supplies essential to Red China's industrial construction. At the same time, the company is making investments for the industrialization of South China. It has set up rosin and woodpulp factories, and has received many requests from industrialists for investments.

HONGKONG FREE EXCHANGE & GOLD MARKETS

The question of Hongkong's security is as old one—as old as the colony. That the Chinese authorities and the people generally irrespective of political persuasion are, if for no other than a national prestige reason, wishing for the return of the territory known as the colony of Hongkong since over 100 years is wellknown here and abroad. The consolidation of power in the so-called New China and the spirit of aggressiveness which has, among other manifestations, shown itself so vigorously in the intervention of Chinese armies in the war in Korea appears to be a bad omen for the peaceful continuation of Hongkong as a British colony. Whatever the designs of Peking with regard to Hongkong one

thing is clear that the communist masters of China are less inclined to play ball with the imperialists than had been the case with the Nationalists. No mistake should however be made about the Nationalists' policy vis-a-vis this colony: when the Chiang government was in full control of the country's affairs, and especially when there was a semblance, though treacherous, of peace and order in postwar China before the storm broke, there was plenty of agitation for the retrocession of Hongkong.

The political conscience of China, emerging by the grace of American policy, as a 'great power' after the war against Japan, which was won by the US, did not allow the silent suffering of certain wrongs which the nation inherited from its weak predecessors of the 19th century. One still vividly remembers the many student demonstrations and violent newspaper tirades and politicians' harangues which concerned themselves with the postwar status of Hongkong; many incidents were created by ultra-nationalists and the culmination was reached when the British Consulate and other British properties in Canton were set to the torch by an obviously well organised crowd. And that happened in a period of KMT decline when one would have supposed that the emaciated regime might have better concentrated on gaining favor with foreign powers, especially with Britain and the US. The question of Hongkong has however constituted such a hot issue that any irritation, genuine or engineered, was liable to arouse violent emotions among a good number of Chinese across the border.

Now when the communists in Peking are adeptly utilising the nationalistic instincts of the people, at home and in the overseas territories, to forge a greater degree of national unity, especially since the Korean war gamble the question of Hongkong has been raised several times by official organisations and publications in Peking. The criticism meted out to Hongkong was unjust and unfair—but nobody expected anything else. Since the triumph of the communists in China, Hongkong has become a haven for Nationalists and other anti-communists who came or fled here from almost every large city in Red China; and many anti-communists have started, with growing success it would seem, to issue papers, pamphlets and other forms of political propaganda which the new regime in China found very damaging. At the same time communist publications, printed in this colony and imported from China, the USSR and other so-called people's republics, were widely distributed in Hongkong, having no doubt considerable influence on the minds of the young people. But on balance, the Peking gov't came to the conclusion that Hongkong constitutes politically a danger to the cause of communism, and militarily (i.e. as regards the possible utilisation of Hongkong's port and other facilities if a war in the Far East should break out) the position of this colony is of vital importance to the security of South China. In economical respects the colony was however found to be very valuable—which is an understatement.

If the communists can be contained in Korea and thus restrained from concentrating on attacks on Indochina (or rather aiding the Vietminh to overthrow the 'imperialist oppressors' by dispatching 'volunteers' across the borders) the future of Hongkong need not give cause to any alarmed discussion. As it appears that the Korean war has turned decidedly in favor of the UN forces and there is even prospect for a peaceful settlement of the 'incident,' a period of calm may still be granted us.

* * *

Financial markets here are hypersensitive and react quickly to any change in the political and military situation in this part of the world. All eyes remain fixed on Korea. Other disturbances are discounted though one has not lost sight here of the unstable internal situation in the Philippines where the insurgent Hukbs (now the Philippine People's Liberation army) are maintaining defiance of the Manila govt in the face of any amount of suppression campaigns; of the war in northern Indochina where however the French have emerged victors in the field only to be challenged again by the guerrillas in the old-type but apparently endless war of attrition; of the campaign in Malaya which today is still very far from being concluded.

Long-term private investment in such an endangered area cannot confidently be considered and therefore, as the 'Colombo Plan' points out, it is the duty of governments to proceed with investments on a large scale. There are very large amounts of idle cash in Hongkong and local residents (of old or recent vintage) own also formidably assets in foreign countries. Part of this wealth, if lured out of its caches, could very materially contribute to the advancement of general living conditions in Far Eastern countries. Hongkong does not offer much scope for further and immediate investment, there having been done so much in the postwar years—particularly when one compares Hongkong only with other Far Eastern 'queens' and 'jewels'—that little remains to be done; large-scale investment, which here is being financed by the govt from current revenue, is of course excepted from the above remark. But countries like those in South and South-east Asia, provided that favorable conditions prevail and the political outlook appears encouraging, may prove very fertile from any investor's point of view, and it is here again where the 'Colombo Plan' is indicating, to private capital, what could be done.

Market Review for the week of April 16 to 21:—

GOLD:—Highest & lowest rates per 945 fine tael: \$318½–312½ equiv. to 99 fine tael and oz prices of resp. \$330.40–\$27.64 and \$274.57–272.28. Crossrates US\$45½ high, 145 low.

Day-to-day highest & lowest prices per 945 fine tael: \$317½–313½; 318½–314; 316½–312½; 316½–314½; 318½–314. Week's opening 316½, closing 318.

The small fluctuation of only 1½% revealed how stable the market had become. Speculation was discouraged and

many native banks complained of lack of business. Goldbrokers at the Exchange were idling, seats fetched only \$22,000 as the outlook for larger turnover appeared dim. There was little stimulation to be derived from developments in Korea. But bulls were still slowly increasing their positions in the hope of an early aggravation of the general situation in the Far East.

Change-over interest remained in favor of sellers and totaled 22 cts. per tael approximating an annual yield on investment of 3½%. Such a low rate was a great disappointment to the 'marginal holders' but as the money position has considerably eased this course was to be expected. Tradings declined to only 192,000 taels for a daily average of 32,000.

Positions averaged 98,500 per day; the importers with Hang Sang Bank leading them, and Swatow group, spearheaded by the Man Fat bank, were the major bulls; and the Pao Sang bank (agent of communist authorities in South China) with the Cantonese speculators held the reverse.

Cash sales amounted to 48,680 taels of which 20,180 were officially listed and 28,500 privately arranged. Of the total interest hedgers took 25,000 taels, exporters 23,000, local goldshops 680. Exports were shipped to Bangkok 10,500, and Singapore 12,500. Differences paid for .99 and .97 fine bars (for export) amounted to \$15.70–15.90 and \$8.40–8.50 respectively. Imports totaled 18,500 taels, mainly from Macao. Import contracts were concluded for the total of 19,200 fine ozs (i.e. 4 units or cases of 4800 ozs) at US\$44.30–44.85 per fine oz.

SILVER:—Silver trade in March 1951:—officially listed imports totaled 35,300 ozs valued at \$138,729, all from Macao; officially listed exports totaled 1246 ozs valued at \$6800, shipped to North Borneo. All silver was in bars or ingots, there was no trade recorded in coins.

Bar silver quoted last week \$6.09–6.11 per tael, dollar coins \$3.91–3.92, small coins per 5 pcs \$3.01. Market remained steady but without any larger business reported. Sales: 59,500 tael in weight.

US\$:—Highest & lowest rates per US\$ 100, in HK\$:—notes 611½–602½, DD 612½–603½, TT 615–606½, equiv. to crossrates of US\$2.601–2.637. Daily highest & lowest TT rates: \$608–608½; 609½–607½; 603½–608; 612½–609; 612–610½; 615–612. Sales totaled US\$750,000 in TT sector, and US\$620,000 in DD and notes.

Rates appreciated slowly as merchant demand was making itself felt. US goods arrived again in the colony and further shipments are expected in due course and with some measure of regularity. Without much ado the flow of American goods for use of the colony's industries and the bona fide consumer has commenced. The black market prices of a number of American commodities have somewhat receded but cost of these commodities is still excessive and far above the prices ruling last December. Profiteering is witnessed here and attempts by Govt do not lead usually to a success from the consumer's point of view. The secret

shipping of American goods to communist China is one of the explanations for the high prices of American consumer goods and raw materials which are destined for the use of local manufacturers.

Gold importers were only small buyers, the Macao market being for the time being well stocked. Offers were not plentiful as overseas Chinese remittances declined sharply and Bangkok and Manila, usually good sources, were holding back.

A feeling is, again in evidence showing confidence in the firmness of the US\$ or, conversely, distrusting the stability of sterling under conditions as have developed after the British Govt adopted a rearmament program. Free market sterling may, on European markets, quote in due course lower than at present and speculators are considering shortselling of sterling. In Hongkong, there has been some hesitancy to sell funds in New York.

BANKNOTES:—There was on the whole little business and prices remained practically unchanged. Bank of England note quoted \$15.58–15.68 Australia 13.40, Canada 5.66–5.70, India 1.15½–1.18, Malaya 1.81½–1.82, Manila 1.57, Saigon 13.70–14, Bangkok 28.20, Indonesia 38, Macao 1.07. Japanese yen per 10,000 \$143–147.

CHINESE EXCHANGE MARKETS:—Many financial institutions which passed under Peking's control after Britain's recognition of communist China have during the past 18 months changed their character; many have been liquidated or are in a state of liquidation, others have been reorganised and have served as financial and commercial organisations the 'New China'. The latest changes affect the local branches of two provincial banks of South China, viz. the Kwangtung Provincial Bank and the Kwangsi Provincial Bank, both banks being now about to be liquidated. There are sufficient Peking-controlled Chinese banks in the colony, both official ones and private banks who are engaging in any sort of exchange and banking business which offers in this colony.

PB yuan notes quoted here \$221–231 per million, business concluded reached 180 m. Remittances with Canton and Amoy quoted 213½–222 and 224–225 resp., a total of 350 m. having been done. HK\$ exchange with Canton quoted at 95–97 per 100 in Canton, a total of HK\$37,000 being sold. The low transaction figure indicated the agony of the black market in Canton where the authorities have, since several weeks, made war on financial operators and have dealt with many of them very harshly, sometimes branding them 'American running dogs' which epithet may easily qualify a man to be tried by mob justice.

Gold and US\$ exchanges with Shanghai and Taiwan were only done in very small amounts. Taiwan govt, is also hotting up things for speculators and black marketeers. It remains to be seen how long the black markets in the 'red and blue Chinas' will behave.

Dairy Farm, Ice & Cold Storage Co., Ltd.

At the fifty-first annual general meeting of the Dairy Farm, Ice & Cold Storage Co., Ltd. it was shown that a net profit of \$4,841,359 had been made on the past year's working. In the course of his speech the Chairman stated that "the record profit on the Working Account in 1949 was exceeded during the period under review by some \$240,000. That figure, however, has been more than absorbed by increased charges in the Profit & Loss Account so that the Net Profit at \$4,841,359 is some \$62,000 less than in the previous year."

After adding the sum of \$151,462 brought forward from the 1949 Accounts, the amount available for appropriation is \$4,992,821 to be dealt with as follows:

To provide for Corporation Profits Tax 1951-52 \$400,000; to transfer to Provision for Staff Retirement and Superannuation Schemes \$458,400; to transfer to Plant & Equipment Replacement Reserve \$500,000; to transfer to General Reserve \$500,000; to pay a bonus to Staff \$120,000; to pay a dividend of \$2.50 per share, less tax, on 977,784 Old Shares \$2,138,902 and \$1.25 per share, less tax, on 488,892 New Shares \$534,726, total \$2,673,628; to carry forward to 1951 Account \$340,793.

These recommendations are incorporated in the Accounts. You will have noted that the increased charges in the Profit & Loss Account are mainly under the headings Depreciation and Expenses connected with the new share issues made during the year. Depreciation at \$723,232 is calculated on the usual scales applied by the Company and the increase over the figure shown in the 1949 Accounts reflects the additions to our fixed assets during the period.

Prior to making the new issue of shares for cash we had been working for the greater part of the year on an overdraft with our Bankers and the increased charge under the heading Interest is as a result of that position.

The Authorised Capital of the Company is now \$30,000,000 which is in accordance with the Resolution passed on June 7, 1950.

The cost of the bonus shares issued last year is shown as a deduction from the General Reserve leaving a sum of \$1,500,000 to which the Board recommend the addition of \$500,000 to bring the Reserve to a figure of \$2,000,000.

In continuation of the policy adopted in 1949, your Board desire your approval for the transfer of a further \$500,000 to Plant & Replacement Reserve. I am sure shareholders will agree that with the continual rise in the cost of essential replacements it is very desirable that we should make this further provision.

The Provision made in the 1949 Accounts for Corporation Profits Tax 1950/51 was calculated at the then expected rate of 15 percent. The subsequent fixing of the rate at 12½ percent, and certain other adjustments in our 1950/51 tax computation have revealed

that there was a considerable over-provision last year. Hence it is necessary to provide an amount of only \$400,000 in the Accounts under review which, added to last year's Provision of \$700,000, will adequately take care of your Company's liability for Corporation Profits Tax for the two years of assessment, 1950/51 and 1951/52. It is expected that the 1950/51 assessment will be finalised and paid very shortly.

The Chairman's speech disclosed that there were now nearly 1,600 T.B.-free animals in the herd with roughly 1,800 pigs and 3,000 birds in the poultry flock. During the year the herd was further increased by 48 heifers and two bulls from Scotland and 35 cows from Australia.

The Chairman also pointed out that the total turnover for the year was approximately 20% greater than in 1949 although sales were appreciably lower in the tinned goods, ice cream and restaurant departments. The overall increase in turnover was not reflected by a correspondingly high increase in working profit because of generally higher operating costs in certain departments which depend to some extent on seasonal trade were affected by the unfavourable weather conditions prevailing last summer. Paradoxically, ice sales during the period were an all-time record. Referring to the scarcity of beef for sale in Government markets as a result of the considerable decrease in the number of live cattle coming into the Colony, the Chairman pointed out how the inevitable result was for market prices to appreciate, and this in turn increased the demand for imported frozen beef which is sold at lower prices. The limited quantity allowed is far from sufficient to meet the present demand, but nothing can be done to improve supplies as the allocation of imported frozen meat is controlled by the British Ministry of Food.

The uncertainty of shipping schedules from Australia was commented upon by the Chairman, who stated that this uncertainty was forcing the Company to carry considerably larger stocks, thus tying up capital which could usefully be employed elsewhere. The world shortage of cereals, added to the impossibility of obtaining feeding stuffs from China in quantity, has the effect of substantially increasing fodder costs. If this trend continued the Company must show a lesser margin of profit from farm operations in the future.

The answer to this might be for the selling price of fresh milk to be increased, but the Company was unwilling to take this step. The over-all working profit for the first three months of this year is consequently expected to be less than in the corresponding period last year, but, as the Chairman pointed out, "there are so many factors which can affect our business, that I think it most unwise to make any prediction as to what our final trading results will be.

HONGKONG COMMODITY MARKET

Except for rubber, which saw a rise as a result of export controls imposed by the Singapore Government, and a few other items such as mild steel plates and galv'd. iron sheets which were required for barter purposes by China traders, the Hongkong commodity markets were marked by inactivity during the past week.

The dullness was particularly noticeable in China products, in the case of which a less rigid enforcement of import controls by the US authorities had led to the hope of increased transactions. In spite, also, of a suspension of export permits by the Canton authorities on many items in an endeavour to stop the declining prices in Hongkong, the fall continued the limitation in quantities received merely serving to prevent a heavier drop.

Cotton Yarn

Tight money and consequently weakened demands from China reduced the cotton yarn market to a state of inactivity and caused a fall in the price of Indian yarns: Speculators bought heavily attracted by the low prices, in anticipation of an early revival of the export demand: in 20's Gokak Mills fell to \$2130 per bale, Lakshmi Mills to \$2170 and Kotak & Co. to \$2070 per bale; in 26's, Sree Meenakshi Mills sold at \$2200 and New City of Bombay Co. at \$2220 per bale; in 32's Gokak Mills dropped to \$2460 per bale, while New City of Bombay Co. fell to \$2560 per bale; in 40's, Rajalakshmi Mills fell to \$2880 and Madura Mills to \$2900 per bale.

As a result of a further fall in the indent prices of Pakistan cotton, locally-made yarns also declined on a slow market: 20's were offered by sellers at \$2300/\$2290 per bale with buyers countering at \$2270/\$2250; 32's were quoted at \$2850 per bale, 40's stood at \$3350 per bale.

Cotton Piece Goods

Cotton piece goods continued inactive, with transactions covering only essential requirements; prices showed a decline. The question of how to obtain replenishments still forms a major problem. Grey sheeting, Indian No. 3138 (38" 40 yds) was quoted at \$67.50 per bolt, Indian No. 2293 (36" 40 yds) stood at \$65 per bolt and Japanese 2023 fell to \$78.50 per bolt.

Raw Cotton

Indent prices for raw cotton from Pakistan showed a further decline during the week and offers of Egyptian cotton were also lower. On the local market prices at the close were: Pakistan NT-roller gin and LSS-r.g. \$4.40 per lb., 4F-r.g. \$4.30 and 289F-r.g. \$4.50; Egyptian raw cotton \$4.50 per lb.; Cotton waste \$1.80 per lb.

Metals

With some hope that the US embargo on raw materials into Hongkong may be slightly modified in some instances,

local manufacturers are feeling rather more assured that bona fide imports will be permitted. This optimism was however, hardly noticeable in the metal market during the week, although Japanese imports of metal became easier, and the market remained correspondingly dull.

Galvanised Iron Sheets and Mill Steel Plates were in demand by merchants from China. The indent price for **Galvanised Iron Sheets** from Japan rose, selling offers improving to \$19 per sheet on G31 3' x 7' c.i.f. Hongkong; G24 and G26 commanded \$1.50 per lb. while G28 improved to \$1.25 per lb., and as supplies are short a further increase is anticipated. Sellers of **Mild steel plates** continued to hold off during the week, releasing only when good profits were obtainable. Mild steel plates of British origin 3' x 6' 1/16" were offered at £135 per ton c.f. Hongkong and 3/32" at £125 per ton; on the spot market 4' x 8' 1/16" rose to \$205 per picul and 3/32" to \$185 per picul, while holders were reluctant to dispose of 1" at \$135 per picul; **Steel Wire Ropes** have recently come under stricter control in Hongkong, which has affected the market adversely. A report that shipments of steel wire ropes shipped under old indents would be released only when sufficient evidence was produced that the stocks were needed for Hongkong also affected the market adversely, but no steps have been taken by the authorities and later in the week prices showed some slight improvements, 24 ply 1" rising to \$2.50 per lb; 1 1/2" to \$2; 1 3/4" to \$2.10; 1 1/2" to \$1.90 and 2" also to \$1.90.

Wire Nails. Trade in this commodity has been dull during the past week with few demands from Thailand, Philippines, Indonesia, etc. and no outlet to China. Prices declined though indent prices rose, 1 1/2" to 3" exchanged hands at \$98 per keg, 1" to 1 1/4" fetched \$110 per keg, while 2" to 6" stood at around \$106 per keg.

Local enamelware factories are feeling the lack of supplies of **black plate**, due to the off-loading of 600 tons of the US make, which have not yet been released. The shortage has resulted in increased prices so G29 and G33 reached a record of \$190 per picul in some transactions. **Misprint tinplate**, waste, waste, stood at the close at around \$180 per picul, with little likelihood of replenishment as far as the USA is concerned.

Industrial Chemicals

The market in industrial chemicals was slow and prices showed a decline notwithstanding low stocks: **ICI Red Moon ammonia chloride** fell to \$2100 per ton; **Crown brand quebracho extract** dropped to \$1.57 per lb.; **ICI soda ash** sold at \$62 per 90-kilo. bag; **Chilean sodium nitrate** fell to \$42 per picul; **Dutch acetic acid**, glacial, sold at \$1.70 per 25-kilo. carboy. Almost the only exception to the falling tendency was provided by **German carbon black** which rose from \$1650 to \$2000 per 50-lb. case on account of very low stocks; the **Getz brand** of this product sold at \$3150 per 175-lb. case.

HONGKONG TRADE ENQUIRIES

Ibrahim Zein El Dine, 69 Sharia El Azhar, P.O. Boc 1212, Cairo, Egypt.—Wish to import natural raw re-reeled silk.

The Economy Stores Ltd., P.O. Box 64, Kitwe, N Rhodesia.—Wish to import enamelware. Particularly interested in sides 50, 55 and 56 cms. basins. Reference:—Standard Bank of South Africa, Kitwe, and Messrs Landau & Coetsee, Finsbury Court, Finsbury Pavement, London shipper.

Nagardas Jasraj Avlani, Avlani Building, P.O. Box 24, Aden Camp, Arabia.—Hongkong products generally. Reference:—The National Bank of India, Ltd., The Chamber of Commerce, Aden.

L'Expansion Commerciale Et Industrielle Internationale, Wetteren, Belgium.—Wish to contact Importers & Agents also Manufacturers and Exporters.

Aarhus Motor Compagni, Frederiksberggade 38, Copenhagen, Denmark.—Wish to export Automotive Reconditioning Machines to Hongkong.

Compania Arrode Representaciones, S.A., Bernardo Couto 24, Mexico 8, D.F.—Wish to import Menthol Crystals, spices, vacuum bottles, chemical drugs, rattan.

Sterol Brushes Ltd., 5 & 6, Beaver Street, Dublin.—Wish to import Bristles from 2 1/2" up.

Rubber

Rubber, as a result of the new Singapore export control measure climbed upward in price Canton merchants were making heavy purchases of mixed rubber cutting, which at the close had risen to \$460 per picul. Smoked rubber sheet No. 1 closed \$560 per picul, and No. 2 and No. 3 at \$540 and \$530 per picul respectively.

China Produce

Among vegetable oils, **tung oil** (wood oil) stood firm with prices unchanged from the previous week, unrefined quality in bulk being quoted at \$245 without drum and \$258 per picul with drum; **teaseed oil** 4% f.f.a. had neither enquiries nor transactions during the week and remained at the nominal price of \$275 per picul; **cassia oil** 80-85% c.a. went down further to \$2500 per picul; **aniseed oil** 15 deg., after selling at \$950 per picul, recovered to \$1000.

Support from Indian dealers caused **Cassia lignea** (West River) 1st qual, new, to rise to \$108 per picul, f.o.b. cwt. bale, but it declined to \$105 towards the close; loose packing dropped to \$100 per picul for 1st qual, while new crop sold at \$93 per picul. **Batavian cassia**, scraped, proved an exception to the general rule by improving to \$79 per picul. **Aniseed star** (Nanning) 1st qual. was inactive, the price falling to \$163 per picul.

Dhaneshwar Prasad Sarju Prasad, Giridih, Behar, India.—Wish to export mica. Bankers: United Bank of India, Ltd., Calcutta and Giridih branch.

Noble Trading Co., Kermani Building, Sir P.M. Road P.O. Box 885, Bombay, 1.—Wish to contact exporters and importers in Hongkong and to import Camphor power.

Khushiram Banarshilal, 21-B, Canning Street, Calcutta, India.—Wish to export webbing ianvas, strips, carpets and other furnishing materials of jute fibres, sacking bags and Hessian cloth.

Ogunditan Oguntoyinbo & Bros., 18, Bankole Street, Lagos, Nigeria.—Wish to import Hardware, Stationery, Leather goods, Fancy goods, Household ware, Torches, Cycle accessories.

Ogunyinka Odebumi & Bros., 44, Breadfruit Street, Lagos, Nigeria.—Wish to import Torches, Hurricane lanterns, umbrellas, underwears, rubber goods, straw mats, fountain pens, glasswares, China wares, enamelwares, electrical apparatus, furniture.

Obakunle Commercial Agency, Room 790, 4th floor, Commercial Building, 1, Jonah Lane, Lagos, Nigeria.—as above.

S Ola. Alli, Trading Co., 66 Abeokuta Road, Ijebu-Ode, Nigeria.—Wish to import enamelwares, porcelain wares, earthenwares, glass wares, fancy goods, hosiery goods, wrist watches, clocks, magenta crystals, dye powders, indigo dyes, felt hats, shoes, etc.

Ramie fell further, **Hunan white** selling at \$266 per picul, and **Szechuen and West River fibres** being quoted at \$263 and \$267 respectively.

China Produce Deliveries

The following quantities of China produce were received from the mainland during the week:

	drums
Tung oil; Canton, Wuchow	1,060
Teaseed oil; Canton, Wuchow ..	192
Rapeseed oil; Canton, Wuchow ..	47
Cassia oil; Wuchow	4
Cassia lignea; Canton, Macao, Wuchow	2,732
Tea; Canton, Macao, Taiwan, Kongmoon	2,108
Flax; Canton Swatow	674
Paper; Canton, Swatow, Wuchow	5,092
Feathers; Tientsin, Macao, Swatow, Taiwan, Wuchow, Kwangchiaowan	294
Galnho; Canton, Wuchow	142
Rosin; Canton, Wuchow	612
Silk waste; Tientsin, Canton ...	15
Porcelain; Tientsin, Swatow ...	262
Cowhides; Macao, Canton, Swatow	29
Bamboo; Canton	271
Camphor; Taiwan	509
Aniseed star; Canton	50
Bean cakes; Canton	50
Groundnuts; Tientsin	2,644

STATISTICAL YEARBOOK OF THE UNITED NATIONS 1949-50

The Statistical Yearbook 1949-50 is the second issue of the Yearbook prepared by the Statistical Office of the United Nations in collaboration with the specialized agencies of the United Nations, other inter-governmental organizations and the national statistical offices of the various countries. In addition to a very wide field of economic and financial statistics the Yearbook also includes statistical data relating to population and to social and cultural subjects. This extensive collection of international data is presented in 166 tables, supplemented by appendices—showing conversion factors and the principal subjects treated in international statistical yearbooks—and alphabetical subject and country indexes.

The territorial scope of the Statistical Yearbook may be judged from the fact that some 250 countries or territories are listed in the index of countries. The Yearbook is bi-lingual throughout, all titles, notes and text being given in both English and French.

Production—The Yearbook shows the annual production of over 100 individual commodities—

Nativity Commercial Co., 13, Binuyo Street, Lagos, Nigeria.—Wish to export Loofahs, black-pepper, coconuts, large beans and scrap-iron to Hongkong. Reference:—Farmers and Commercial Bank Ltd., Tinubu Head Office, Lagos.

S.K. Babalola, Alias Owolabi Brothers, 12, Shakiti Street, Lagos, Nigeria.—Hongkong goods generally.

All Odus Strees, 14 Ajanaku Street, Lagos, Nigeria.—Wish to import hardware, machinery, cycle & accessories, hosiery, electrical goods and apparatus, chemicals, textile goods, watches & clocks, toys, fishing lines, papers & stationeries, shoes & boots, carbide, enamelwares, porcelain ware, drugs & medicines—Wish to export timber, kapok, cast iron, brass, copper, chillies, black pepper, butter beans, cattle hair, cow bones, hoofts, horrs & tail hair, palmkernels, shells, rattan cane, etc.

Yousaf Rasheed & Co., 23 Fazal Manzil, Beadon Road, Lahore.—Wish to import art silk fabric, cotton fabric of all sorts, torches of all brands, hand sewing needles, umbrellas, enamelwares. Bankers: The Muslim Commercial Bank Ltd., The Mall, Lahore.

foodstuffs, minerals and manufacturing articles—in virtually all the producing countries and for each of the years 1930 to 1949. World production in 1949 was lower than in 1948 in the case of wheat, maize (corn), oats, potatoes, natural rubber, coal, crude petroleum, iron ore, steel and copper, and lower than in 1930 in the case of oats, rye, potatoes, coal and tin. The most striking expansion between 1930 and 1949 took place, as might be expected, in the newer products such as rayon and aluminium. In the fuels and energy group, world production of coal outside the USSR and China was 3% lower in 1949 than in 1930. This decline was compensated for by the remarkable expansion in the production of electric energy and of crude petroleum. World production of steel (excluding USSR and China) amounted to 135.2 million metric tons in 1949 against 89.1 million metric tons in 1930, an increase of 52%.

Transport and Communications—The Yearbook contains an important section on transportation statistics giving tables relating to railways, motor vehicles, merchant shipping, inland waterways, civil aviation and tourist travel. The chapter on communications contains tables on letter mail, telegraph service, telephones and broadcasting stations.

External Trade—In the chapter on external trade the Yearbook presents a table on the value in national currencies of the imports and exports of nearly 140 countries or practically the whole trading world. The quantum of exports from the United States and Canada almost doubled between 1930 and 1949, and outstripped, particularly in the former country, the increase on the import side. Both the United Kingdom and France had reduced the volume of their 1949 imports compared with both 1930 and 1937 but whereas United Kingdom exports in 1949 exceeded appreciably the 1930 and 1937 levels, French exports were still somewhat lower than in 1930, although 40% above the 1937 volume. Imports into Finland, India, Indochina, Ireland and Norway were, in varying degree, greater in volume in 1949 than in 1930 as were also exports from Finland, India and Norway; in all these countries, except Finland, 1949 imports also exceeded the 1937 volume but only from India were exports higher in 1949 than in 1937. The volume of Australian and New Zealand imports and exports was substantially greater in recent years than in either 1930 or 1937.

Medical Facilities—Statistics relating to social subjects appear in the Yearbook tables on social security, housing and medical personnel and hospital beds. The last-named table, introduced for the first time in this issue of the Yearbook, shows for over 100 countries or territories avail-

able prewar and postwar data on the number of physicians, nurses, midwives, inhabitants per physician and number of hospital beds by type of hospital. Although the figures for inhabitants per physician bear witness to considerable progress made in under-developed lands, they also indicate the startling difference between, to take an extreme case, the United States or Switzerland with 800 inhabitants per physician and Nigeria with 70,000 inhabitants per physician.

Newspapers—The Yearbook also gives tables on illiteracy, educational establishments, newspaper consumption and daily newspapers. The two last-named tables cover some 60 countries and give data on newspaper consumption, both total and per capita, and on the number of daily newspapers, their total circulation and the number of copies for 1,000 population. During the prewar period newspaper consumption per capita was highest in the United Kingdom (26.1 kilos), followed by the United States and Australia (24.2 kilos), New Zealand (20.8 kilos) and Canada (15.7 kilos). By 1949, consumption had risen in the United States to 33.4 kilos per capita and in Canada to 22.5 kilos while it was down to 21.4 kilos in Australia, to 13.8 kilos in New Zealand and to only 11.4 kilos in the United Kingdom which was outranked also by Sweden (15.1 kilos) and Denmark (12.1 kilos). In proportion to the population, the circulation of daily newspaper in 1949 or 1950 was easily highest in the United Kingdom with 600 per 1,000 population, followed by Luxembourg with 445, Australia with 432, Norway with 421, Sweden with 416, Switzerland with 355 and the United States with 354. At the other end of the scale, India and Burma had each a circulation of 6 daily newspapers per 1,000 population, Thailand 4, Pakistan 2 and Afghanistan 1.

In addition to the subjects already mentioned the Statistical Yearbook provides extensive international data on population activity, balances of payments, wages and prices, national income, money and banking and public finance. Basic economic information such as manpower resources, land use, livestock population, structure of manufacturing industry and existing transport equipment are given in the Yearbook as are also summaries of the various national budget accounts and public debt statements, exchange rates, money supply, gold holdings, domestic credits of banks, bond yields and industrial share prices.

The Statistical Yearbook is one of a number of United Nations projects which provide reliable and comprehensive international information in the economic and social fields for the use not only of Member governments but also for economists, business executives, industrial firms, libraries, teachers, students and others who require such data in their daily work and activities. It can be obtained in Hongkong at the Commercial Press, 35 Queen's Road C.